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DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
FORM 100-107 (Rev. 1-15-83)

SUMMARY NOTICES AND REPORTS ON WELLS

Use this form for proposals to drill or to deepen or plug back to a different reservoir.  
(See "APPLICATION FOR PERMIT" for such proposals.)

1. WELL TYPE: OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR: Yates Petroleum Corporation

3. ADDRESS OF OPERATOR: 105 South Fourth Street, Artesia, New Mexico 88210

4. LOCATION OF WELL: Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.  
At surface  
800'FNL & 1650'FEL

14. PERMIT NO.: 15. ELEVATIONS (Show whether DF, RT, GR, etc.): 3565.9 GL

6. LEASE DESIGNATION AND SERIAL NO.: NM - 59392

8. FEDERAL, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

9. FARM OR LEASE NAME: Lusk "AHB" Fed.

8. WELL NO.: 1

10. FIELD AND POOL, OR WILDCAT: Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 35-T19S-R32E

12. COUNTY OR PARISH: Eddy 13. STATE: NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF  PULL OR ALTER CASING   
FRACTURE TREAT  MULTIPLE COMPLETE   
SHOOT OR ACIDIZE  ABANDON\*   
REPAIR WELL  CHANGE PLANS   
(Other) Name Change

SUBSEQUENT REPORT OF:

WATER SHUT-OFF  REPAIRING WELL   
FRACTURE TREATMENT  ALTERING CASING   
SHOOTING OR ACIDIZING  ABANDONMENT\*   
(Other)

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Yates Petroleum Corporation wishes to change the well name:

FROM: Yates "35" Federal #1

TO: Lusk "AHB" Federal #1

RECEIVED  
FEB 22 8 21 AM '90

ILLEGIBLE

18. I hereby certify that the foregoing is true and correct  
SIGNED: [Signature] TITLE: Landman DATE: 2-22-90

(This space for Federal or State office use)

APPROVED BY: [Signature] TITLE: DATE: 2/22/90  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

YATES PETROLEUM CORPORATION  
Case No. 9964  
06/27/90 Examiner Hearing  
Exhibit No. 10

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to provide false, fictitious or fraudulent statements or representations as to an

ff - Rob

SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

OPERATORS NAME YATES PETROLEUM CORPORATION WELL NO. & NAME Lusk "AHB" Federal No. 1
LOCATION 800 F N L & 1650 F E L SEC. 35, T. 19 S., R. 32 E.
LEASE NO. NM-59392 COUNTY Lea

The special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CFR 3165.3 and 3165.4.

I. SPECIAL ENVIRONMENT REQUIREMENTS

- ( ) Lesser Prairie Chicken (Stips attached) ( ) Floodplain (Stips attached)
( ) San Simon Swale (Stips attached) ( ) Other

II. ON LEASE - SURFACE REQUIREMENTS PRIOR TO DRILLING

- ( ) The BLM will monitor construction of this drill site. Notify the Resource Area Office, BLM at least working days prior to commencing construction at (505)
( ) Roads and the drill pad for this well must be surfaced with inches of compacted
( ) All topsoil and vegetation encountered during the construction of the drill site area will be stockpiled and made available for resurfacing of the disturbed area after completion of the drilling operation. Topsoil on the subject location is approximately inches in depth. Approximately cubic yards of topsoil material will be stockpiled for reclamation.
( ) Other

III. DRILLING OPERATIONS REQUIREMENTS [Secretary's Potash] [Capitan Controlled Water Basin]

The Bureau of Land Management office is to be notified at (505) 393-3612, in sufficient time for a representative to witness:

- (v) 1. Spudding (v) 2. Cement casing 13 3/8 inch 8 5/8 inch 5 1/2 inch
(v) 3. BOP tests ( ) Other

IV. CASING

(v) 13 3/8" surface casing should be set @ ~1150', or in the Rustler Anhydrite and cement circulated to the surface. If cement does not circulate to the surface, this BLM office will be notified and a temperature survey or cement bond log will be run to verify the top of the cement. Remedial cementing will be done prior to drilling out of that string.

(v) Minimum required fill of cement behind the 8 5/8" intermediate casing is to circulate to the surface.

(v) Minimum required fill of cement behind the 5 1/2" production casing is to tieback ~600' above top of Wolfcamp @ ~10,850'.

V. PRESSURE CONTROL

(✓) Before drilling below the 8 5/8" casing, the blowout preventer assembly will consist of a minimum of:

- (✓) One Annular Preventer      (✓) Two RAM-Type Preventers      (✓) Other Kelly Cock/ Stabbing Valve

(✓) After setting the 8 5/8" casing string, and before drilling into the Wolfcamp Formation, the blowout preventers and related control equipment shall be pressure-tested as described in General Requirements. Any equipment failing to test satisfactorily will be repaired or replaced.

- (✓) The test will be conducted by an independent service company.  
(✓) The results of the test will be reported to the appropriate BLM office.  
(✓) The Bureau of Land Management office is to be notified in sufficient time for a representative to witness the test.

(✓) Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, will be installed and operating before drilling into the Wolfcamp Formation, and will be used until production casing is run and cemented. Monitoring equipment will consist of the following:

- (✓) 1. A recording pit level indicator to determine pit volume gains and losses.  
( ) 2. A mud-volume measuring device for accurately determining mud volume necessary to fill the hole on trips.  
(✓) 3. A flow-sensor on the flow-line to warn of any abnormal mud returns from the well.

( ) A Hydrogen Sulfide Contingency Plan will be approved by this BLM office before drilling below the \_\_\_\_\_ Formation. A copy of the plan will be posted at the drilling site.

(✓) Other: Gamma Ray Neutron Log shall be run from the base of the Salado to the bottom of the Wolfcamp.

VI. WELL COMPLETION REQUIREMENTS

( ) A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the BLM. The effective date of the agreement must be prior to any sales.

( ) Surface Restoration: If the well is a producer, the reserve pit(s) will be backfilled when dry, and cut-and-fill slopes will be reduced to a slope of 3:1 or less. All areas of the pad not necessary for production must be re-contoured to resemble the original contours of the surrounding terrain, and topsoil must be re-distributed and re-seeded with a drill equipped with a depth indicator (set at a depth of 1/2 inch) with the following seed mixture, in pounds of Pure Live Seed (PLS), per acre.

- |   |   |
|---|---|
| ( ) A. Seed Mixture 1 (Loamy Site)                        | ( ) B. Seed Mixture 2 (Sandy Sites)                     |
| Lehmans Lovegrass ( <u>Eragrostis lehmanniana</u> ) 1.0   | San Dropseed ( <u>Sporobolus cryptandrus</u> ) 1.0      |
| Side Oats Grass ( <u>Bouteloua curtipendula</u> ) 5.0     | Sand Lovegrass ( <u>Eragrostis trichodes</u> ) 1.0      |
| Sand Dropseed ( <u>Sporobolus cryptandrus</u> ) 1.0       | Plains Bristlegrass ( <u>Setaria magrostachya</u> ) 2.0 |
| ( ) C. Seed Mixture 3 (Shallow Sites)                     | ( ) D. Seed Mixture 4 ("Gyp" Sites)                     |
| Sideoats Grama ( <u>Boute curtipendula</u> ) 1.0          | Alkali Sacaton ( <u>Sporobolus airoides</u> ) 1.0       |
| Lehmann's Lovegrass ( <u>Eragrostis lehmanniana</u> ) 1.0 | Four-Wing Saltbush ( <u>Atriplex canescens</u> ) 5.0    |
| or Boar Lovegrass ( <u>E. chloromalas</u> )               |   |

Seeding should be done either late in the fall (September 15 - November 15, before freeze up) or early as possible the following spring to take advantage of available ground moisture.

( ) Other

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

PRINT IN TRIPLICATE\*  
(Other instructions on reverse side)

Revised Form No. 1-11-17  
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

NM - 59392

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Lusk "AHB" Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Wildcat Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 35-T19S-R32E

12. COUNTY OR PARISH 13. STATE

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NM

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
105 South Fourth Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below)  
At surface  
800' FNL & 1650' FEL

14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
3565.9

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input checked="" type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	(Other) <input type="checkbox"/>	

(Other) \_\_\_\_\_

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Yates Petroleum Corporation wishes to change the proposed casing and cementing program, the mud program, propose new tops and a new total depth of 13,900'. Also, find attached a new Exhibit B - Blowout Preventor.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of casing	Weight per foot	Setting Depth	Quantity of Cemen
17-1/2	13-3/8	54.50#	1140	1150 sx <u>circulated</u>
12-1/4	8-5/8	32#	4900	2500 sx <u>circulated</u>
7-7/8	5-1/2	17 & 20#	TD	As warranted

MUD PROGRAM: FW to 1140'; Brine to 4900', cut brine to TD.

Yates Petroleum Corporation wishes to propose new tops, and they are the following:

Rustler	1055
Yates	2850
Delaware	4710
Edne Springs	7610
Wolfcamp	10850
Strawn	11730
Atoka	12420
Morrow	12770
TD	13900

18. I hereby certify that the foregoing is true and correct

SIGNED Ken Beardsley TITLE Landman DATE 2-23-90

(This space for Federal or State office use)

APPROVED BY Shannon J. Shaw TITLE \_\_\_\_\_ DATE 2 26 90

CONDITIONS OF APPROVAL, IF ANY:  
APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

\*See Instructions on Reverse Side

Submit to Appropriate District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

**OIL CONSERVATION DIVISION**

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

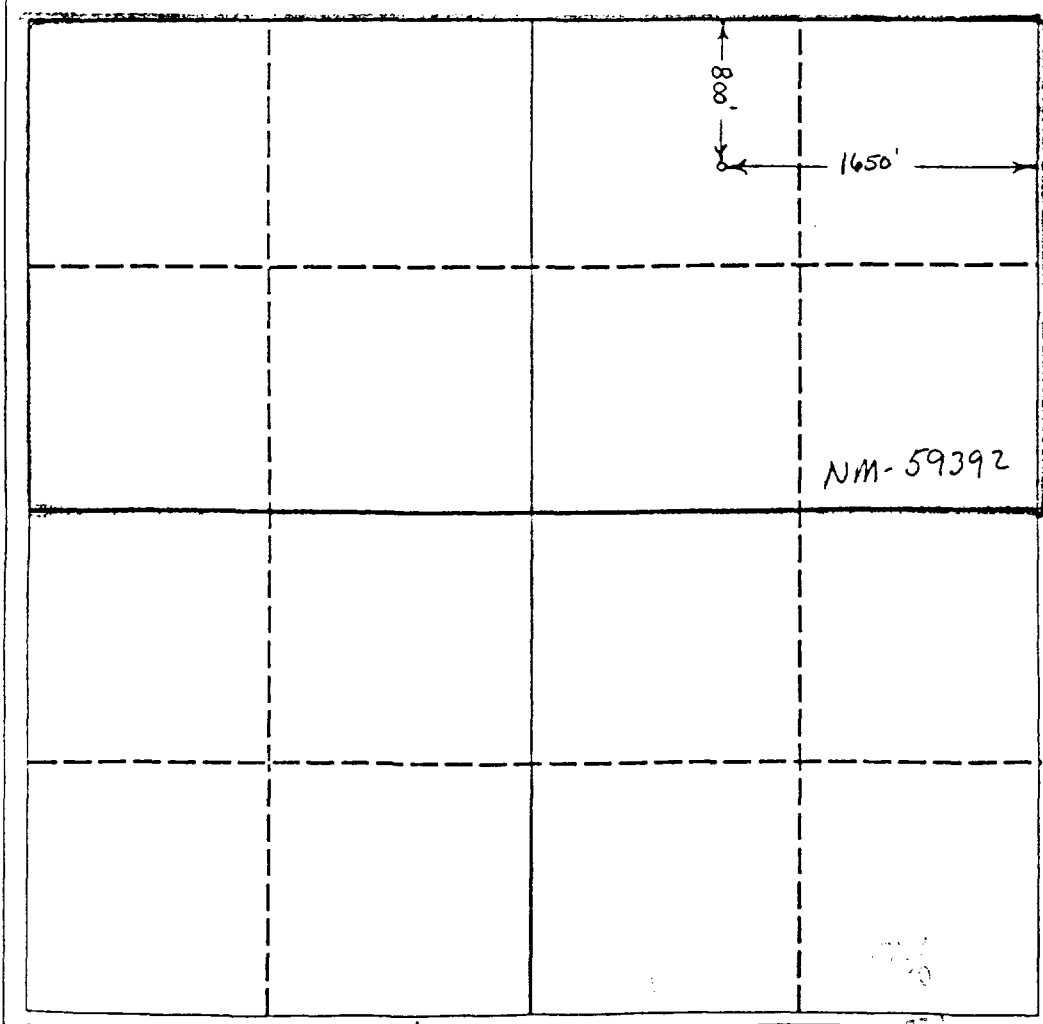
Operator Yates Petroleum Corporation			Lease Lusk "AHB" Federal		Well No. 1
Unit Letter B	Section 35	Township 19S	Range 32E	County Lea	
Actual Footage Location of Well: 800 feet from the North line and 1650 feet from the East line					
Ground level Elev. 3565.9	Producing Formation Morrow		Pool Wildcat	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 

Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Ken Beardemph*  
 Signature

Ken Beardemph  
 Printed Name

Landman  
 Position

Yates Petroleum Corporation  
 Company

2-26-90  
 Date

**SURVEYOR CERTIFICATION**

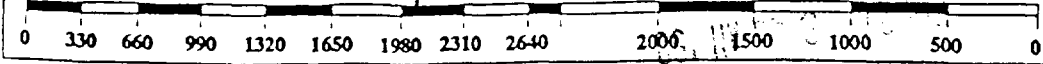
I hereby certify that the well location shown on this plat was plotted from field notes, actual surveys made by me or under supervision, and that the same is true correct to the best of my knowledge and belief.

\_\_\_\_\_  
 Date Surveyed

\_\_\_\_\_  
 Signature & Seal of Professional Surveyor

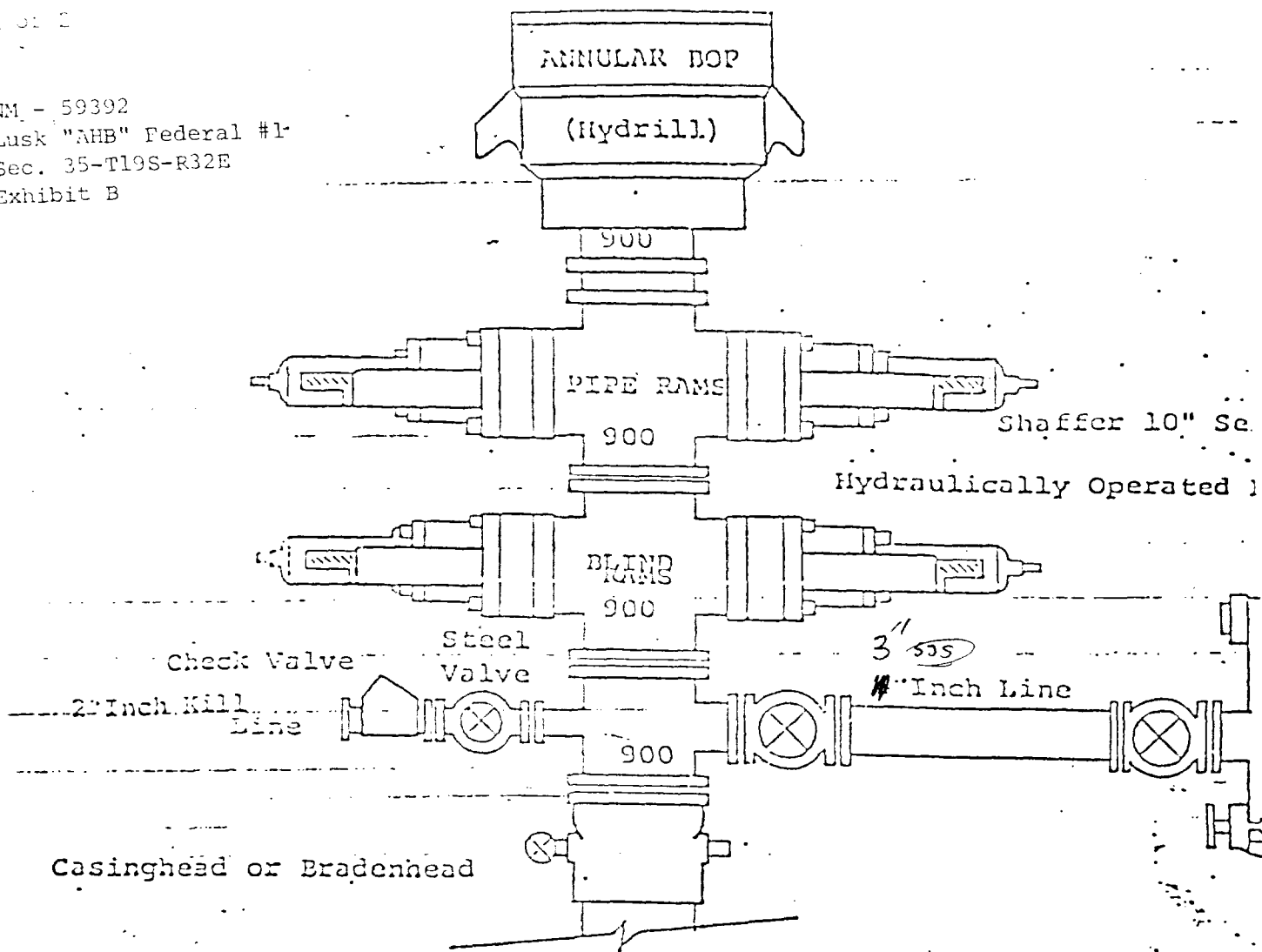
Refer to Original Plat

\_\_\_\_\_  
 Certificate No.



RECEIVED

NM - 59392  
 Lusk "AHB" Federal #1  
 Sec. 35-T19S-R32E  
 Exhibit B



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 3" diameter. ~~3.09~~
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

EXHIBIT B