

EC

OCD-ARTESIA

H-39

Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC028990B
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		7. If Unit or CA Agreement, Name and No.
3a. Address 105 S 4TH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	8. Lease Name and Well No. CREEK AL FEDERAL COM. 19
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SWNW 1402FNL 859FWL At proposed prod. zone SWNW 1402FNL 859FWL		9. API Well No. 30-015-32896
14. Distance in miles and direction from nearest town or post office* APPROX. 8 MILES SE OF LOCO HILLS, NM.		10. Field and Pool, or Exploratory WILDCAT MORROW Huckberry; Morrow, North
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 859'	16. No. of Acres in Lease 560.00	11. Sec., T., R., M., or Blk. and Survey or Area Sec 25 T18S R30E Mer NMP SME: BLM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 500'	19. Proposed Depth 12200 MD	12. County or Parish EDDY
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3494 GL	22. Approximate date work will start	13. State NM
23. Estimated duration 45 DAYS		

24. Attachments

Caption Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CY COWAN Ph: 505.748.4372	Date 05/23/2003
Title REGULATORY AGENT		
Approved by (Signature) /s/ Richard A. Whitley	Name (Printed/Typed) /s/ Richard A. Whitley	Date 16 JUL 2003
Title STATE DIRECTOR	Office NM STATE OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #22320 verified by the BLM Well Information System

For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Committed to AFMSS for processing by Linda Askwig on 05/27/2003 (03LA0531AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Wildcat Morrow
Property Code	Property Name CREEK "AL" FEDERAL COM.	Well Number 19
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3494

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	18S	30E		1402	NORTH	859	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	LC-28990-B	LC-025307	LC-028990-B

OPERATOR CERTIFICATION

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

Signature _____
Cy Cowan
Printed Name _____
Regulatory Agent
Title _____
May 21, 2003
Date _____

SURVEYOR CERTIFICATION

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

5/07/2003
Date Surveyed _____
Signature & Seal of Professional Surveyor _____
Certificate No. Herschel E. Jones RLS 3640
CREEK 19
GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

YATES PETROLEUM CORPORATION
Creek AL Federal Com. #19
1402' FNL & 859' FWL
Section. 25 -T18S-R30-E
Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

Rustler	485'	Dolomite	8300'
Tansill	1800'	Wolfcamp	9570'
Yates	1910'	Strawn	10750'
Seven Rivers	2350'	Atoka	11075'
Queen	3075'	Morrow	11450'
Grayburg	3560'	Chester	12120'
Delaware	4600'	TD	12200'
Bone Spring	5820'		

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approx 250' - 350'
Oil or Gas: All Potential Zones

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 3000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H-40	ST&C	0-700'	700'
12 1/4"	9 5/8"	36#	J-55	ST&C	0-4000'	4000'
8 3/4"	7"	29#	P-110	LT&C	0-100'	100'
8 3/4"	7"	26#	L-80	LT&C	100'-8600'	8500'
8 3/4"	7"	26#	HCP-110	LT&C	8600'-11000'	2400'
8 3/4"	7"	29#	P-110	LT&C	11000'-12200'	1200'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

B. CEMENTING PROGRAM:

Surface casing: 400 sx Lite (YLD 2.0 WT 12.5) Tail in w/ 250 sx Class "C"
+ 2% CaCL₂ (YLD 1.32 WT 14.8)

Intermediate Casing: Lead with 1100 sx Lite (YLD 2.0 WT 12.5); Tail in w/250 sx Class "C"
+ 2% CaCL₂ (YLD 1.32 WT 14.8)

Production Casing: TOC-3500'; Lead with 600 sx Lite (YLD 2.0 WT. 12.5). Tail in w/ 500 sx
Super "C" (YLD 1.62 WT 13.2)

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-700'	FW Gel/Paper	8.6-9.0	32-36	N/C
700'-4000'	Brine	10.0-10.2	28	N/C
4000'-11000'	Cut Brine	8.8-9.5	28	N/C
11000-12200'	S Gel/Starch/Driscap/KCL	9.5-10.0	32-40	<10 cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 30' samples to 5000'. 10' samples 5000' to TD.

Logging: Platform HALS

Coring: Sidewall cores as warranted.

DST's: As warranted.

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From: 0	TO: 700'	Anticipated Max. BHP:	300	PSI
From: 700'	TO: 4000'	Anticipated Max. BHP:	1700	PSI
From: 4000'	TO: TD	Anticipated Max. BHP:	6100	PSI

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None

8. ANTICIPATED STARTING DATE

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 15 days.

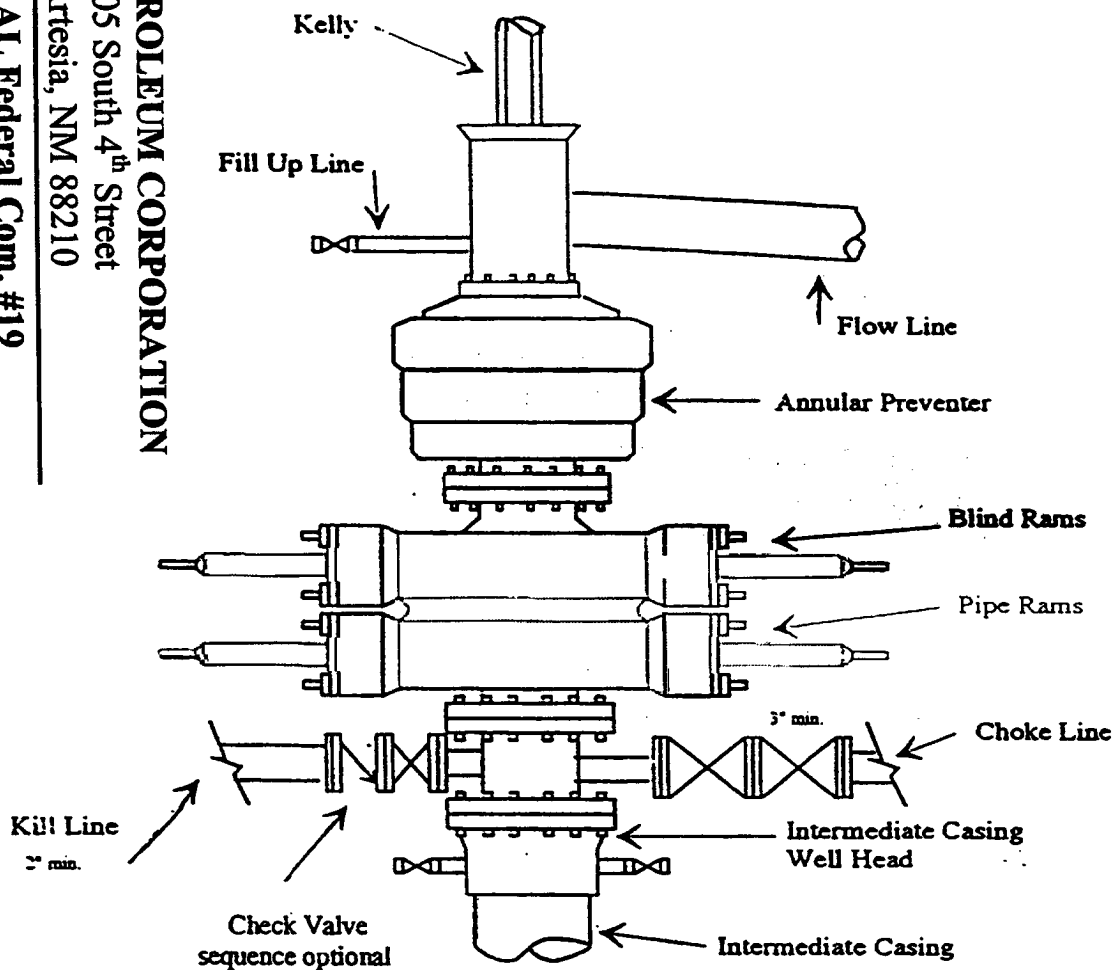
Yates Petroleum Corporation

BOP-3

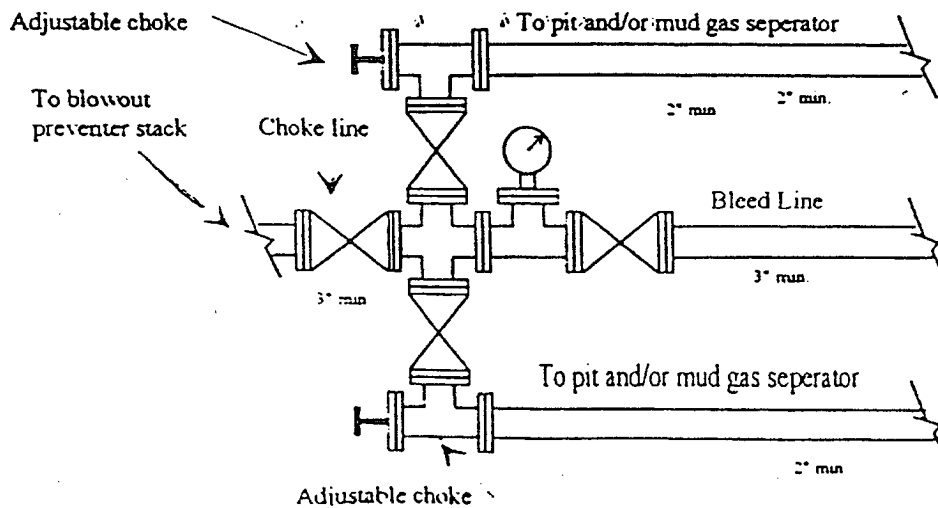
Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

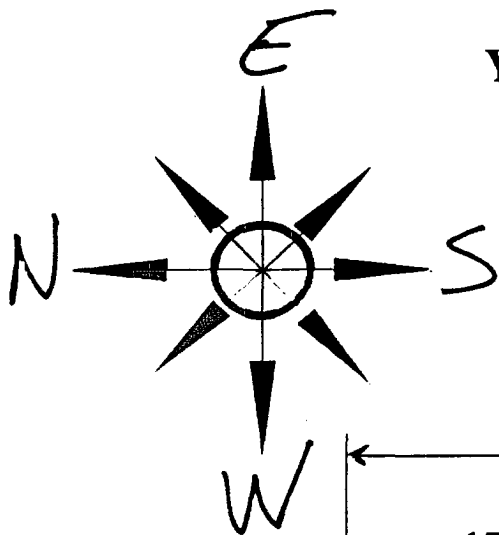
YATES PETROLEUM CORPORATION
105 South 4th Street
Artesia, NM 88210

Creek AL Federal Com. #19
1402' FNL & 859' FWL
Section. 25 - T18S-R30-E
Eddy County, New Mexico
Exhibit "B"



Typical 3,000 psi choke manifold assembly with at least these minimum features





Yates Petroleum Corporation

Location Layout for Permian Basin

12,000' to 14,000'

Pits North

YATES PETROLEUM CORPORATION

105 South 4th Street

Artesia, NM 88210

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1402' FNL & 859' FWL

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Exhibit "C"

