

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

*Sunny*  
*A-23*  
N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMNM-106718
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR HARVEY E. YATES COMPANY		7. UNIT AGREEMENT NAME CHOLLA 1 FED
3. ADDRESS AND TELEPHONE NO. P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601		8. FARM OR LEASE NAME, WELL NO. 4
4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 2,130' FNL & 890' FEL AT PROPOSED PROD. ZONE SAME		9. API WELL NO. 30-015-32834
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 20 MILES SE OF LOCO HILLS, NM		10. FIELD AND POOL, OR WILDCAT CEDAR LAKE MORROW EAST
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 890'		11. SEC., T., R., M., OR BLK AND SURVEY OR AREA SEC 1, T18S, R31E
16. NO. OF ACRES IN LEASE 320.6		12. COUNTY OR PARISH EDDY
17. NO. OF ACRES ASSIGNED TO THIS WELL 320.6		13. STATE NM

18. PROPOSED DEPTH 12,700'		20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3815' GR		APPROX. DATE WORK WILL START 11/15/02

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WT PER FT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" H-40	48#	400' (Alt Csg Depth)	425 SX "C" W/2% CACL & 1/4# CELLOSEAL
12 1/4"	8 5/8" J-55	32#	3,100'	350 SX "C" W/2% CACL & 1/4# CELLOSEAL, 1,000 SX FILLER
7 7/8"	5 1/2" N-80 & P-110	17#	12700'	1000 SX LEAD & 400 SX TAIL
(SEE EXHIBIT "E")				

ALL CASING WILL BE NEW, OR USED MEETING BLM SPECS.  
CEMENT WILL BE CIRCULATED ON 13 3/8" AND 8 5/8" CASING.  
CEMENT QUANTITIES AND ADDITIVES ARE SUBJECT TO CHANGE DUE TO HOLE CONDITIONS.  
\* FILLER CEMENT 35/65 "C" POZ w/ 6% GEL, 5# SALT, & 1/4# FLOEAL  
\*\* LEAD: 1000 SX "H" POZ w/ 2% GEL & 5# SALT PER SACK  
TAIL: 400 SX "H" w/ 3% KCL, .5% FLUID LOSS, .3% DISPERSANT, 1% BONDING AGENT, .3% RETARDER, & .2% SODIUM METASILICATE PER SACK

PROPOSED MUD PROGRAM	
0-400'	FRESH WATER, PAPER, & EZ MUD. MW-9.0 VIS-31
400'-3,100'	BRINE WATER AFTER TOP OF RUSTLER, PAPER, & EZ MUD. MW-10.0, VIS-31
3,100'-9,000'	FRESH WATER, PAPER, EZ MUD, & AMMONIA NITRATE. 30-60,000 CHLORIDES MW-9.0 VIS-31
9,000'-12,700'	MUD UP WITH BARAZAN D & DEXTRID, 60-80,000 CHLORIDES MW 9.4-9.8 VIS 34-36

MUD PROGRAM SUBJECT TO CHANGE DUE TO HOLE CONDITIONS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Bob Williams Bob Williams TITLE Drilling Superintendent DATE 10/8/02

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPLICATION APPROVAL DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

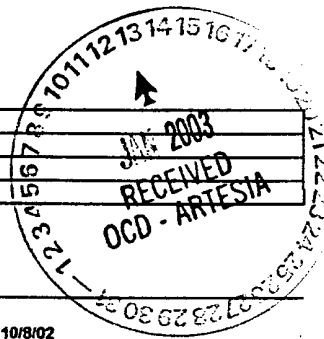
CONDITIONS OF APPROVAL IF ANY:

APPROVED BY /s/ LESLIE A. THEISS TITLE FIELD MANAGER DATE JAN 10 2003

TITLE 18 U.S.C. SECTION 1001, MAKES IT A CRIME FOR ANY PERSONS 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 JURSDICTION

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

APPROVED FOR STATE



Oil Cons.  
UNITED STATES N.M. DIV-Dist. 2  
DEPARTMENT OF THE INTERIOR 1301 W. Grand Avenue  
BUREAU OF LAND MANAGEMENT Artesia, NM 88210

FORM APPROVED  
Budget Bureau no. 1004-0135

Expires: March 31, 1993

5. Lease Designation and serial No.  
NMNM-106718

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

CHOLLA 1 FED #4

9. API Well No.

10. Field and Pool, or Exploratory Area  
CEDAR LAKE MORROW EAST

11. County or Parish, State  
EDDY COUNTY, NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir  
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator

HARVEY E. YATES COMPANY

3. Address and Telephone No.

P.O. BOX 1933, ROSWELL, NM 88201.. 505-623-6601

4. Location of Well (Footage, Sec., T., M., or Survey Description)

2,260' FNL & 400' FEL SEC 1, T18S, R31E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on well  
Completion or Recompletion Report and Log form

13. 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 directional give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)\*

WELL LOCATION TO BE MOVED 130' SOUTH & 590' EAST TO AVOID SAND DUNES PER DON PETERSON WITH CARLSBAD BLM OFFICE. WE WILL DIRECTIONALLY DRILL TO ORIGINAL SURFACE LOCATION

OLD LOCATION: 2,130' FNL & 990' FEL, SEC 1, T18S, R31E EDDY COUNTY, NM

NEW LOCATION: 2,260' FNL & 400' FEL, SEC 5, T18S, R31E EDDY COUNTY, NM

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

Signed Bos Wellman

Title DRILLING SUPERINTENDENT

Date 12/23/02

(This space for Federal or State office use)

Signed ARLENE A. THEIRS

Title FIELD MANAGER

Date 12/20/2003

## State of New Mexico

Energy, Minerals and Natural Resources Department

88241-1980

Form C-102

Revised February 10, 1994

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

NM 88211-0719

Rd., Artec, NM 87410

UNTA FE, N.M. 87504-2088

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 74605	Pool Name CEDAR LAKE MORROW EAST
Property Code	Property Name CHOLLA "1" FEDERAL	Well Number 4
OGRID No. 010179	Operator Name HARVEY E. YATES COMPANY	Elevation 3812'

## Surface Location

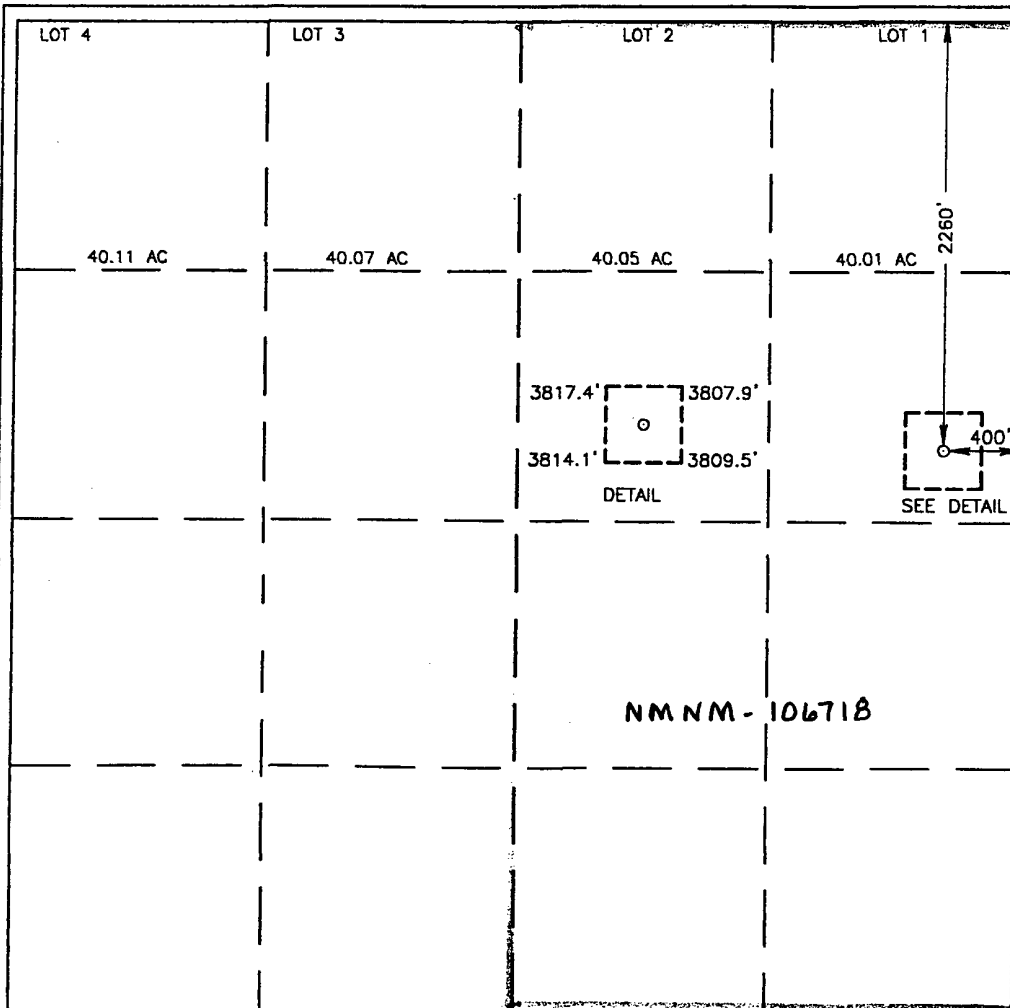
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	18-S	31-E		2260'	NORTH	400	EAST	EDDY

## 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	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



## OPERATOR CERTIFICATION

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

Bob Williams  
Signature

BOB WILLIAMS  
Printed Name

DRLG SUPT  
Title

12/23/02  
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.

DECEMBER 19, 2002

Date Surveyed

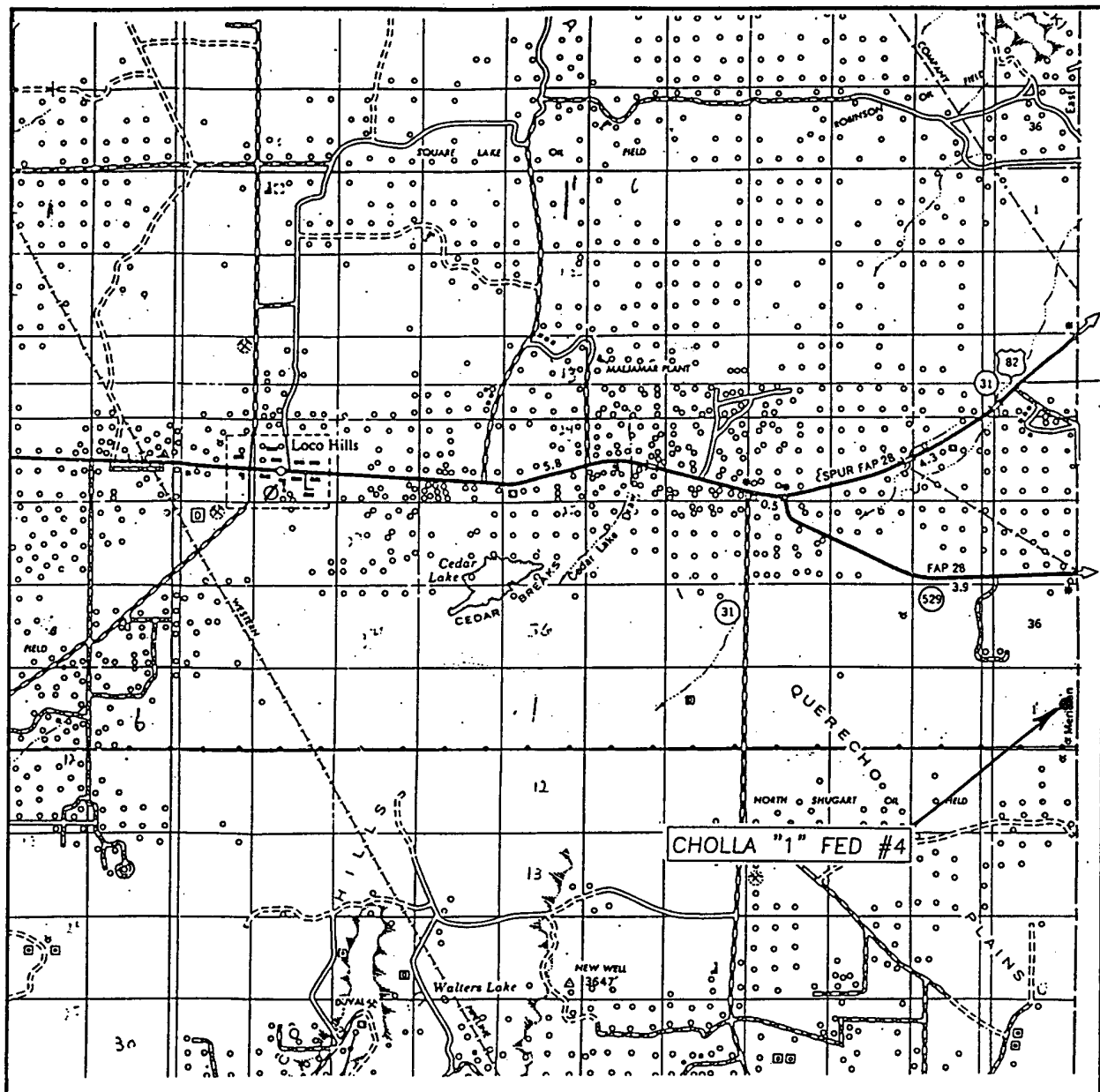
AWB

Signature & Seal of  
Professional Surveyor

Ronald J. Edson  
RONALD J. EDSON  
02.11.0991  
12/20/02

Certificate No. RONALD J. EDSON 3239  
GARY EDSON 12841

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 1 TWP. 18-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2260' FNL & 400' FEL

ELEVATION 3812'

OPERATOR HARVEY E. YATES COMPANY

LEASE CHOLLA "1" FEDERAL

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

Application  
Harvey E. Yates Company  
Cholla 1 Fed #4  
Section 1, T18S, R31E  
Eddy County, New Mexico

In conjunction with Form 3160-3, Application For Permit To Drill Or Deepen subject well, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No 10.

1. Geologic Name of Surface Formation:

Quaternary alluvium and bolson deposits.

2. Estimated Tops of Significant Geologic Markers:

Rustler	925	San Andres	4,430	Wolfcamp	9,130
Yates	2,450	Delaware	4,775	Penn Shale	10,450
Seven Rivers	2,820	BSPG	5,350	Strawn	11,240
Bowers	3,200	BSPG 1st Sand	7,410	Atoka	11,590
Queen	3,450	B-Zone	7,720	Morrow	11,930
Penrose	3,680	BSPG 2nd Sand	8,100	Mw Clastics	12,170
Grayburg	3,950	C-Zone	8,650	U. Miss/Barnett	12,600
Premier	4,360	3rd Sand	8,880		

3. Estimated Depths at which Water, Oil, or Gas Formations are expected:

Oil: 3,450

Gas: 3,450

4. Proposed Casing Program:

See Form 3160-3

5. Pressure Control Equipment:

This well will be rated 5M

Request for variance on BOP for drilling 12 1/4" intermediate hole.

Due to no pressured formations from base of surface to TD of 12 1/4" hole @ 3,100', we propose to:

1. Use a 3,000 psi BOP with one set of pipe rams and one set of blind rams.
2. Test the 13 3/8" casing and BOP stack to 1,250 psi with rig pump prior to drilling 13 3/8" casing shoe.
3. Change pipe rams to 8 5/8" rams prior to running 8 5/8" casing.

6. Drilling Fluid Program:

See Form 3160-3

7. Auxiliary Equipment:

H2S Compliance Package.

8. Testing, Logging, and Coring Program:

Two possible DSTs are planned for this well.

The planned logs are Schlumberger HALS w/Platform Express and Sonic

9. Abnormal Conditions, Pressures, Temperature, or Potential Hazards:

No abnormal conditions are anticipated in this wellbore

BHST 170° F

BHP 3,000 psi

10. Anticipated Starting Date & Duration of Operation:

Spud Date: Approximately Nov 15, 2002. Duration of this project will be approximately 60 days from start of construction of drilling pad until finish of completion operations.

**Surface Use Plan**  
**Harvey E. Yates Company**  
**Cholla 1 Fed #4**  
**Section 1, T18S, R31E**  
**Eddy County, New Mexico**

**1 Existing Roads:**

Exhibit A is a portion of a New Mexico map showing the location of the proposed location. The location is approximately 16 miles Southeast of Loco Hills, NM. Leave Artesia on US 82 & travel 30 miles east to the junction of Eddy Co. 222. Turn South and go 3.3 miles. Turn left after crossing cattle guard. Go 1.6 miles on main traveled road to 4 way intersection. Turn right & go 1.6 miles to next 4 way intersection. Turn right & go .1 miles. Turn left & go 1.2 miles. Turn left & go .2 miles to location.

**2 Planned Access Roads:**

1,180' of new road will be built to access this location.

**3 Location of Existing Wells:**

See EXHIBIT B

**4 Location of Tank Batteries, Electric Lines, Etc:**

In the event a producing well is drilled, a tank battery will be built on the location.

**5 Location and Type of Water Supply:**

Water will be obtained from commercial sources.

**6 Source of Construction Material:**

We will use materials from the primary and auxillary reserve pits to build the location.

**7 Methods of Handling Waste Disposal:**

Waste will be handled in an approved manner. The wellsite will be cleaned of all waste within 30 days of final completion of the well.

**8 Ancillary Facilities:**

N/A

**9 Wellsite Layout:**

a. EXHIBIT D shows the relative location and dimensions of the well pad, reserve pits, and major rig components.

b. The land is rolling and sandy

c. The pad and pit area have been staked.

**10 Plan for Restoration of the Surface:**

a. After drilling and completion operations are completed, all equipment and other materials not needed for further operations will be removed. Pits will be back filled and the location cleaned of all trash to leave the wellsite as pleasant in appearance as possible.

b. If the proposed operation is nonproductive, all restoration and/or vegetation requirements of the BLM will be complied with, and will be accomplished as quickly as possible. All pits will be filled and leveled within 90 days after abandonment.

**11 Other Information:**

a. The surface and mineral owner is the Federal Government. The grazing Lessee is Williams & Son Cattle Company, and they have been contacted regarding operations.

b. The topography consists of sandy soil with native grasses. No wildlife was observed, but the usual inhabitants of this region are Jackrabbits, Reptiles, Coyotes, etc.

c. There are no ponds, lakes, or rivers in this area.

d. An Archaeological Survey has been made and a copy has been sent to the Roswell BLM office. There are no occupied dwellings or windmills in the area.

e. Should any incidental oil be recovered during testing of this well, this oil will be considered waste oil and not sellable due to contamination by drilling and/or completion fluids.

**12 Operator's Representative:**

I certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; that the work associated with operations proposed herein will be performed by Harvey E. Yates Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

10/08/02

*Bob Williams*

Bob Williams Drilling Superintendent  
Harvey E. Yates Company  
P.O. Box 1933  
Roswell, NM  
505-623-6601



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Resource Area

P.O. Drawer 1857

Roswell, New Mexico 88202-1857

Statement Accepting Responsibilities for Operations

Operator Name: Harvey E. Yates Company

Street or Box: P.O. Box 1933

City, State: Roswell, New Mexico

Zip Code: 88202

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No.:

Lease Name: Cholla 1 Fed #4

Legal description of land: Sec 1, T18S, R31E, Eddy County, New Mexico

Formation(s) (if applicable): Morrow

Bond Coverage: (State if individually bonded or another's bond): Blanket Bond

BLM Bond File No.:

Authorized Signature: Bob Wilhoit

Title: Drilling Superintendent

DATE: 10/8/02

DISTRICT I  
P.O. Box 1630, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 74605	Pool Name CEDAR LAKE MORROW EAST
Property Code	Property Name CHOLLA "1" FEDERAL	Well Number 4
OGRID No. 010179	Operator Name HARVEY E. YATES COMPANY	Elevation 3815'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	18-S	31-E		2130'	NORTH	890	EAST	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	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

LOT 4	LOT 3	LOT 2	LOT 1
40.11 AC	40.07 AC	40.05 AC	40.01 AC
			2130'
			NMM-106718
			3814.1' 3812.9'
			3804.0' 3815.9'
			890'
			990 E

**OPERATOR CERTIFICATION**

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

Bob Williams  
Signature  
BOB WILLIAMS

Printed Name  
DRLG. SUPT.

Title  
10-8-02

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.

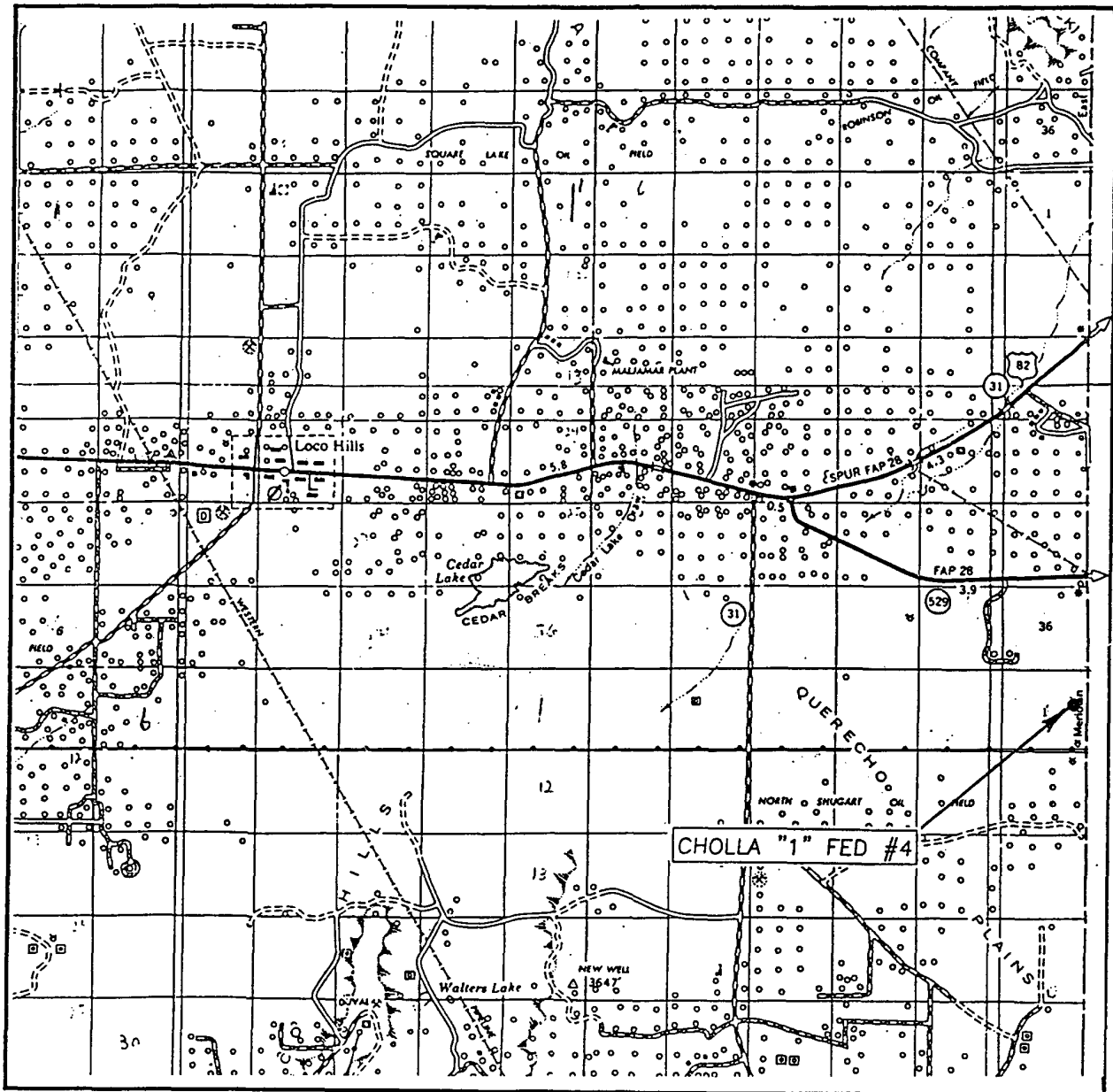
OCTOBER 04, 2002

Date Surveyed  
AWB

Signature & Seal of Professional Surveyor  
Ronald G. Edson  
10/07/02  
02.11.07325

Certificate No. RONALD G. EDSON 3239  
GARY EDSON 12641

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 1 TWP. 18-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2130' FNL & 890' FEL

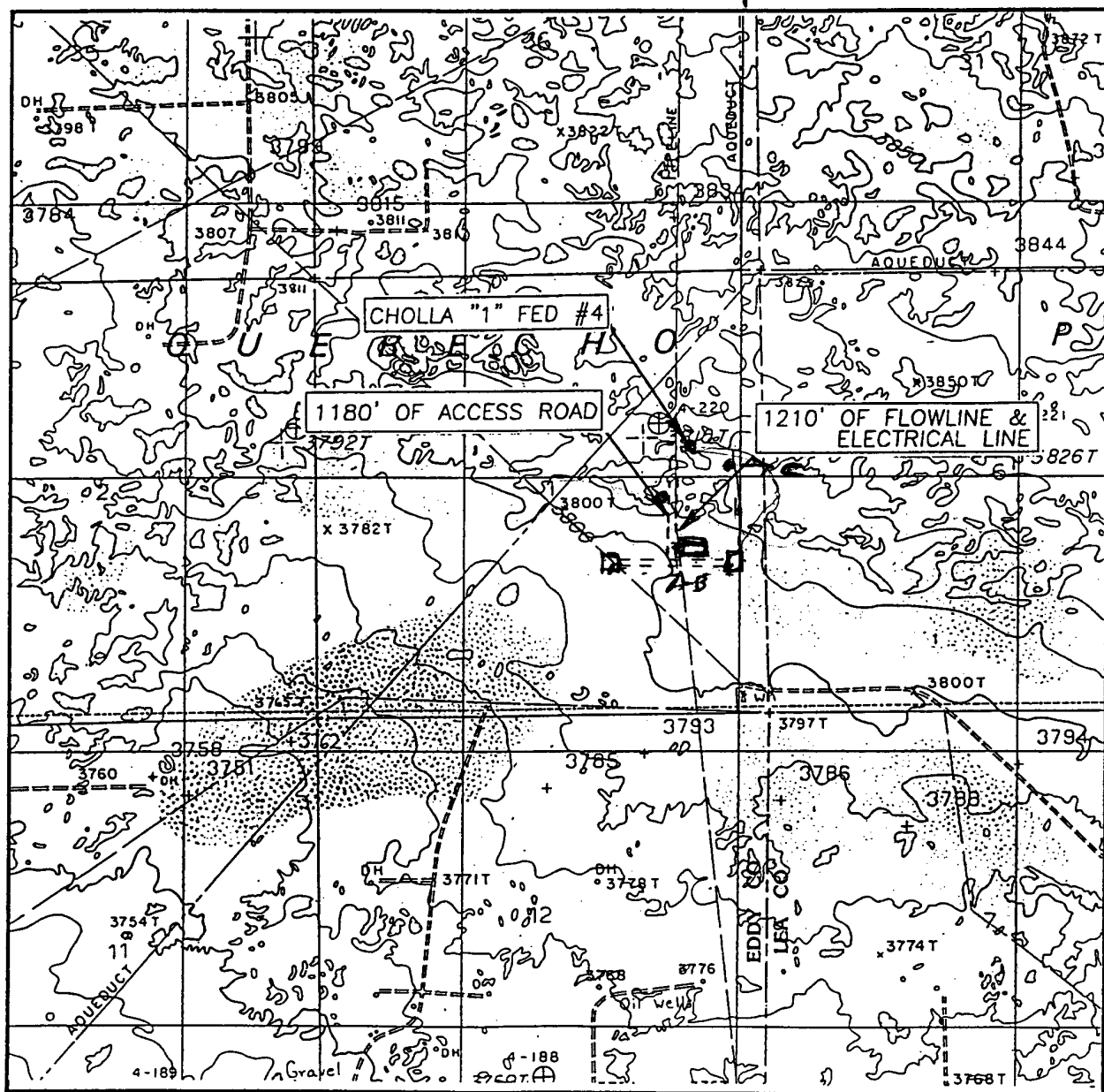
ELEVATION 3815'

OPERATOR HARVEY E. YATES COMPANY

LEASE CHOLLA "1" FEDERAL

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'  
MALJAMAR, N.M.

SEC. 1 TWP. 18-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2130' FNL & 890' FEL

ELEVATION 3815'

OPERATOR HARVEY E. YATES COMPANY

LEASE CHOLLA "1" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
MALJAMAR, N.M.

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

**EXHIBIT "C" BOP STACK**

**Cholla 1 Fed #4  
2,130' FNL & 890' FEL  
Sec 1, T18S, R31E  
Eddy County, NM**

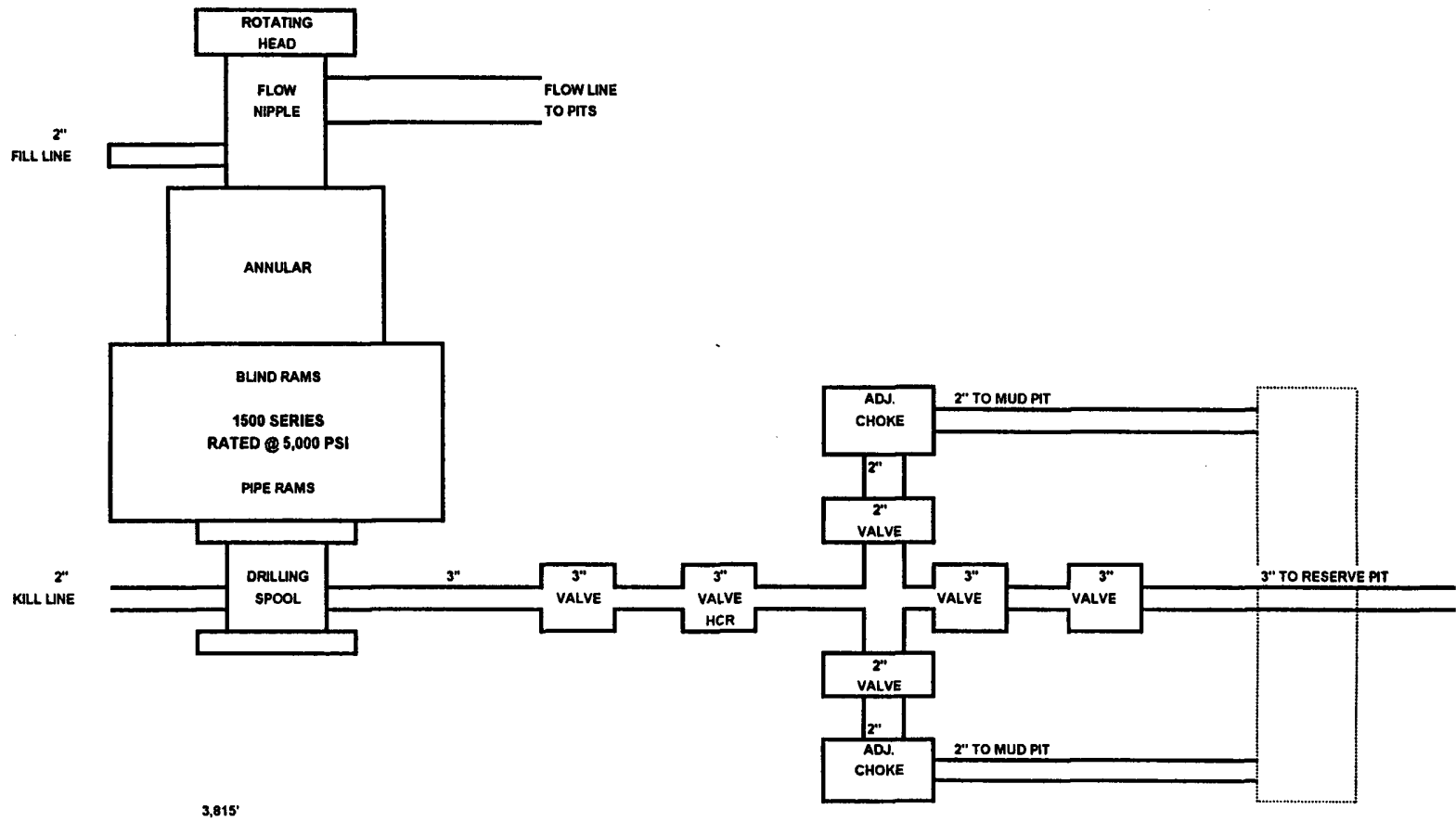
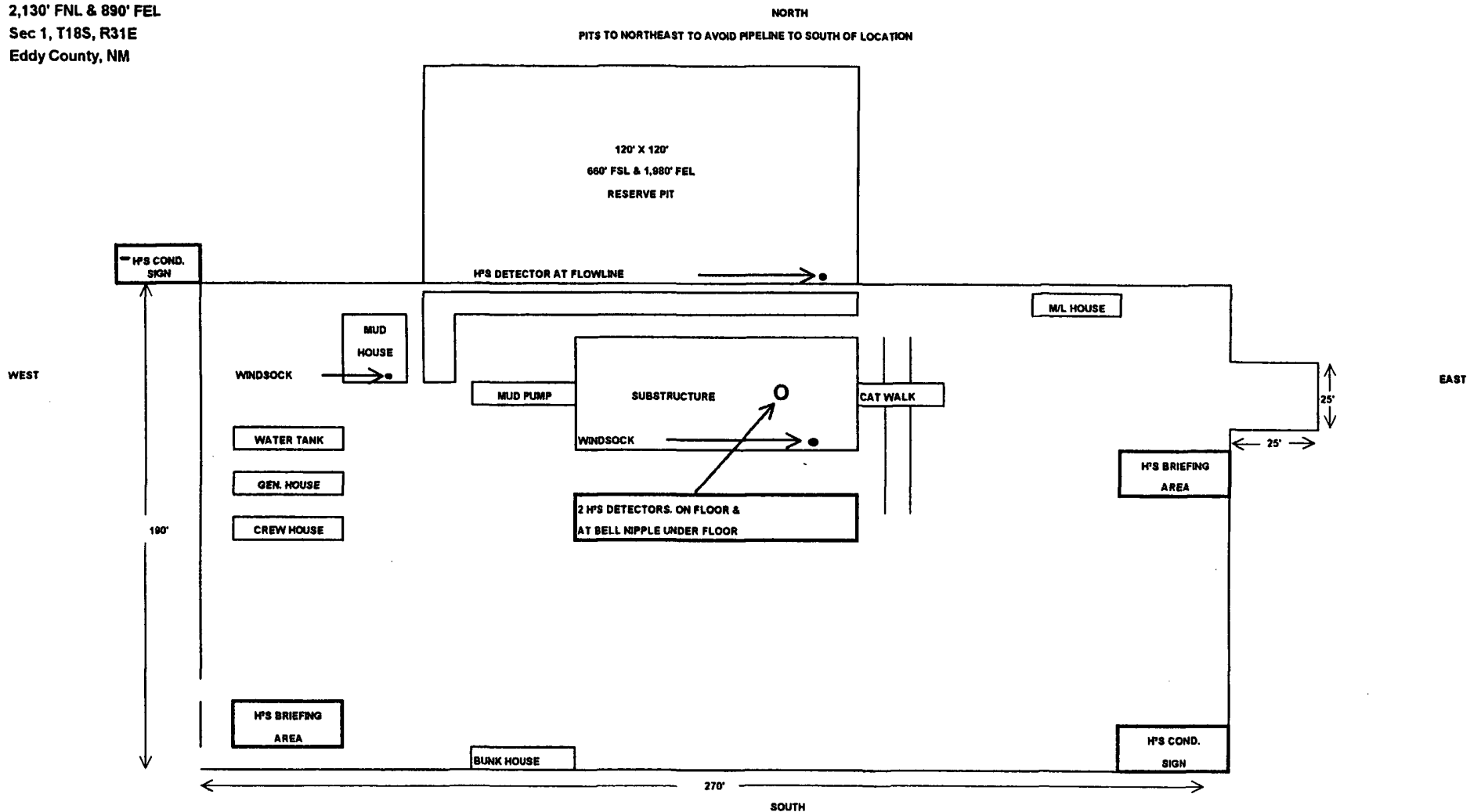


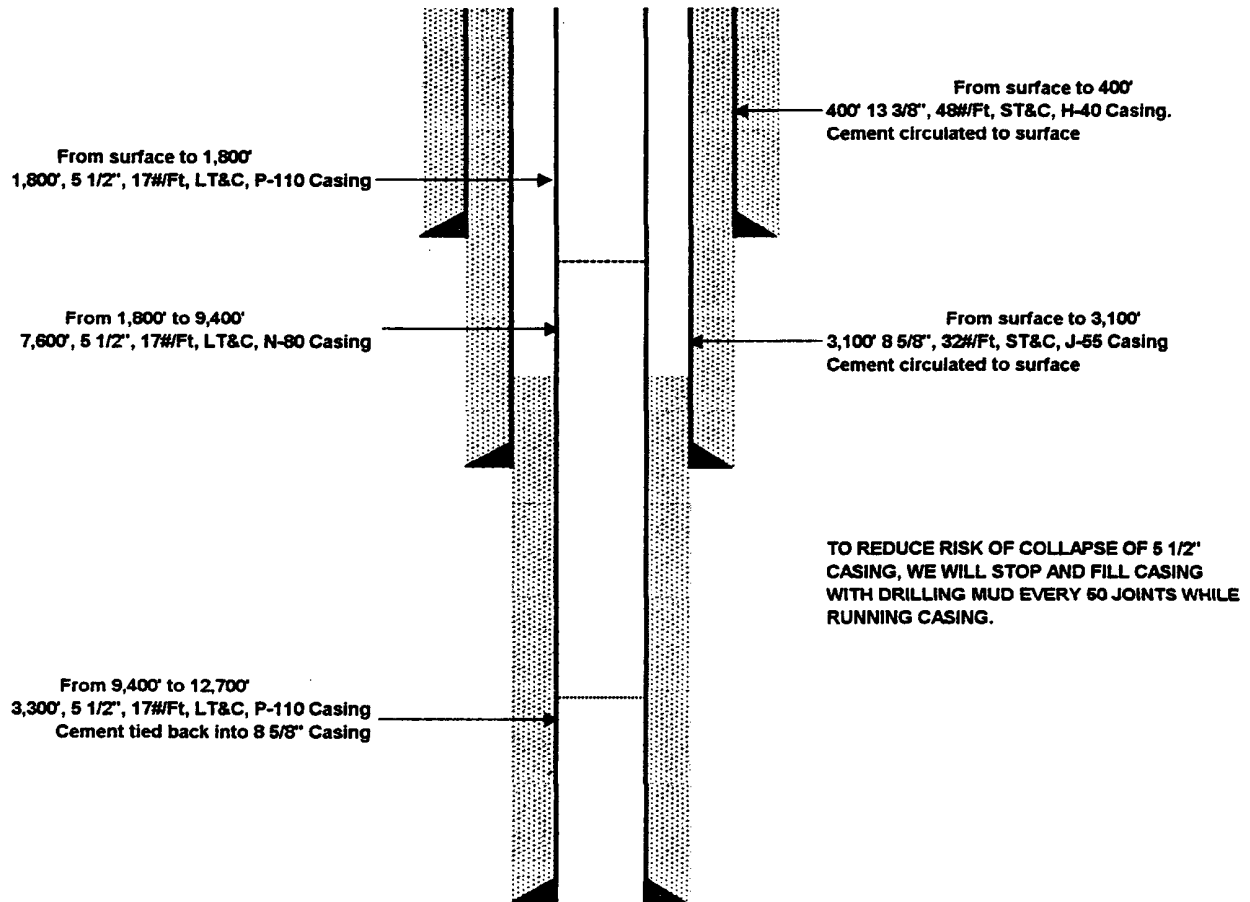
EXHIBIT "D" LOCATION DIAGRAM

Cholla 1 Fed #4  
2,130' FNL & 890' FEL  
Sec 1, T18S, R31E  
Eddy County, NM



**EXHIBIT "E" CASING DESIGN**

**Cholla 1 Fed #4  
2,130' FNL & 890' FEL  
Sec 1, T18S, R31E  
Eddy County, NM**



## **EXHIBIT "F"**

Harvey E. Yates Company  
Cholla 1 Fed #4  
2,130' FNL & 890' FEL  
Sec 1, T18S, R31E  
Eddy County, NM

### **HYDROGEN SULFIDE DRILLING OPERATIONS PLAN**

#### **I     Hydrogen Sulfide Training**

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis will show proof of training from a qualified instructor in the following areas before commencing any work on the above named well.

1. The hazards and characteristics of hydrogen sulfide (H<sup>2</sup>S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H<sup>2</sup>S detectors, alarms, warning signs, briefing areas, and evacuation procedures.
5. The proper technique for rescues.

#### **II    H<sup>2</sup>S Safety Equipment and Systems**

All H<sup>2</sup>S safety equipment and systems will be installed 1,000 feet prior to penetrating the first zone containing or reasonably expected to contain H<sup>2</sup>S.

1. Well Control Equipment
  - A. Choke manifold with a minimum of two adjustable chokes.
  - B. Blind and pipe rams to accommodate all pipe in use.
  - C. Auxiliary equipment to include annular preventer and rotating head.
2. Protective equipment for essential personnel
  - A. Four 5 minute escape units in top dog house.
  - B. One 30 minute SCBA at each briefing area.
3. H<sup>2</sup>S detection and monitoring equipment
  - A. Three channel monitor located on floor, with detectors located on floor, on flow nipple, and on flow line on mud pit.
4. Visual Warning Systems
  - A. Windsack located on floor and mud pits. 3,815'
  - B. Briefing area signs located on NE & SW corners of pad.
  - C. H<sup>2</sup>S Condition sign located at entrance to location.