

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000



1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. NM-87314	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA Agreement, Name and No.	
3a. Address 105 S. Fourth St, Artesia, NM		8. Lease Name and Well No. Blown Gasket AUX Fed. Com #1	
3b. Phone No. (include area code) 505-748-1471		9. API Well No. 30-015-303 20330	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 660' FSL & 660' FWE At proposed prod. zone same as above		10. Field and Pool, or Exploratory Wildcat Morrow	
14. Distance in miles and direction from nearest town or post office* Approximately 11 miles southwest of Artesia, NM		11. Sec., T., R., M., or Blk. and Survey or Area Section 21-14S-R24E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of Acres in lease 480	17. Spacing Unit dedicated to this well 320	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. -----	19. Proposed Depth 9000'	20. BLM/BIA Bond No. on file BLM 585997	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3801.4 GL	22. Approximate date work will start* ASAP	23. Estimated duration 30 days	

24. Attachments

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 	Name (Printed/Typed) Cy Cowan	Date 6-26-00
Title Regulatory Agent		
Approved by (Signature) (ORIG. SGD.) DAVID F. GLASS	Name (Printed/Typed)	Date OCT 24 2000
Title Acting Assistant Field Manager, Lands And Minerals	Office ROSWEILL FIELD OFFICE	APPROVED FOR 1 YEAR

Application approval does not warrant or certify the 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.

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.

*(Instructions on reverse)

Former:
Midwest Oil Corp
Federal J #1
OTD- 8750
RFA- 2-9-74

RECEIVED
JUN 2 2000
BLM
ROSWELL, NM

District I
1625 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 & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
				Wildcat Morrow	
Property Code		Property Name			Well Number
		Blown Gasket AVX Fed. Com			1
OGRID No.		Operator Name			Elevation
025575		YATES PETROLEUM CORPORATION			3801.4


¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	14S	24E		660'	South	660'	West	Eddy

¹¹ 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.			
320									

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

16					¹⁷ 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 6-26-00 Date
					¹⁸ 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. Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
<div>NM-87314 YPC</div> <div>V-4816 Concho Resources</div> <div>660' 660'</div>					

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

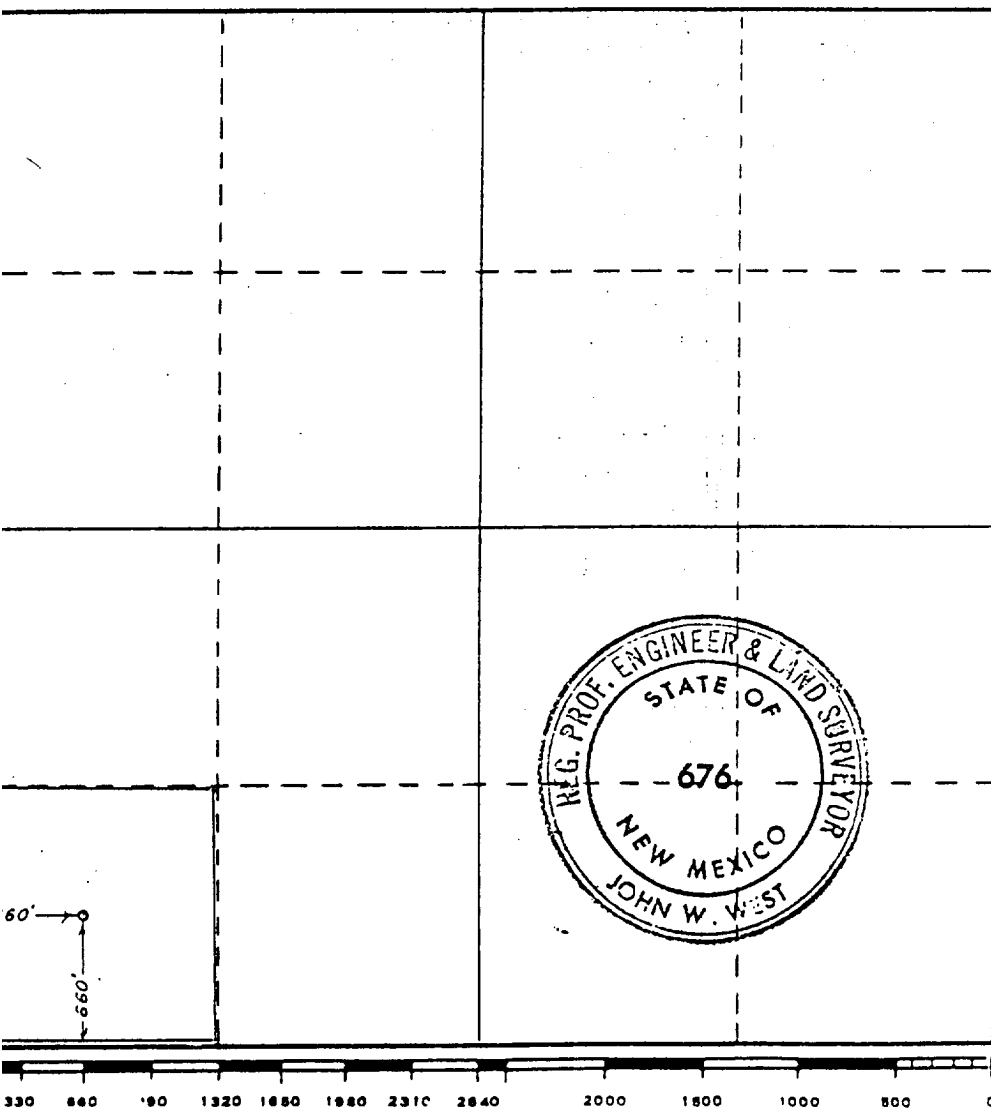
Operator MIDWEST OIL CORP		Lease Federal "J"			Well No. 1
Letter M	Section 21	Township 18 South	Range 24 East	County Eddy	
Well Footage Location of Well: 660 feet from the south line and 660 feet from the west line					
Initial Level Elev. 3801.4	Producing Formation Mississippian		Pool Wildcat	Dedicated Acreage: 20 00/100 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name **Carolyn Turner**

Position **Production Clerk**

Company **Midwest Oil Corporation**

Date **8-31-70**

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

RECEIVED
SEP 11 1970
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

Date Surveyed
Aug. 27, 1970

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **676**

**YATES PETROLEUM CORPORATION
BLOWN GASKET AVX FED. COM. #1 (re-entry)
660' FSL and 660' FWL
Section 21,-T18S-R24E
Eddy County, New Mexico**

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

Tubb	3176'	Canyon	7204'
Abo	3823'	Strawn	7805'
Wolfcamp	5193'	Morrow	8199'
Cisco	6377'	TD	9000'

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

Water: 200'-300'
Oil or Gas: All potential zones

3. Pressure Control Equipment: BOPE will be installed on the 8 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:

<u>Hole Size</u>	<u>Casing</u>	<u>Size Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Interval</u>	<u>Length</u>
15"	11 3/4"	48#	H-40		465'	In place
11"	8 5/8"	24 & 32#	K-55	ST&C	2099'	In place
7 7/8"	8 5/8"	15.5# & 17#	N-80-J55		8750'	In place

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

Blown Gasket AVX Fed. Com. #1 (re-entry)

Page 2

B. CEMENTING PROGRAM:

Surface Casing: Cement with 450 sacks Class "C" in place.

Intermediate Casing: 800 sacks Class "C" in place.

Production Casing: 1000 sacks Class "C" or enough to bring cement up into the 8 5/8" casing.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0 - 8750'	Gelled Cut Brine	N/A	35-40	<10-15cc
KCL water in cased hole.				

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: 10' samples out from surface casing to TD.

Logging: CNL/LDT, W/NGT TD-surface casing; W/GR-CNL TD surface casing: DLL-MSFL TD-surface casing: BHC Sonic TD-surface casing.

Coring: None anticipated.

DST's: As warranted.

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

Anticipated BHP:

From: 0	To: 450'	Anticipated Max. BHP:	200 PSI
From: 450'	To: 4000'	Anticipated Max. BHP:	2300 PSI
From: 4000'	To: 8700'	Anticipated Max. BHP:	4000 PSI

Abnormal Pressures Anticipated: None

Lost Circulation zones anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 170° F

8. ANTICIPATED STARTING DATE:

Plans are to re-enter this well as soon as possible after receiving approval. It should take approximately 20 days to re-enter the well with completion taking another 7-10 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
BLOWN GASKET AVX FEDERAL COM.#1 (re-entry)
660' FSL and 660' FWL
Section 21,-T18S-R24E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 11 miles southwest of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go south of Artesia on HWY 285 for approximately 7 miles to Four Dinkus Road. (CR 39) Turn west and go approximately 5.6 miles to the Four Dinkus Ranch. From the ranch house continue west for approximately 4 miles. The road will fork, take left fork and go approximately 1 mile crossing draw and going across cattle passing windmill on left. From the windmill continue south for .9 of a mile to a cattle guard. Cross cattle guard and go approximately .6 of a mile. The existing access road starts here going north.

2. PLANNED ACCESS ROAD:

- A. The existing access is approximately .2 of a mile in length from the point of origin to the southwest of drilling pad. The road will lie in a south to north direction.
- B. N/A
- C. N/A
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

The dirt contractor will acquire any materials from the closest source when necessary for the construction of the well pad.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

8. ANCILLARY FACILITIES: None

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, and the access road approach.
- B. The reserve pits will be plastic lined.
- C. Existing well pad is in place and will be upgraded.

10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP: Four Dinkus Ranch
Artesia, New Mexico

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.
- C. In regard to the water pipeline going across the north side of the location I discussed the water line with Mr. Darrell Brown, Operations Manager, of the Four Dinkus Ranch and received his permission to build the location on top of the water line.

13. OPERATOR'S REPRESENTATIVE

A. Through A.P.D. Approval:	B. Through Drilling Operations, Completions and Production:
Cy Cowan, Regulatory Agent Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471	Brian Collins, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471

14. CERTIFICATION:

I hereby 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 presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation 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.

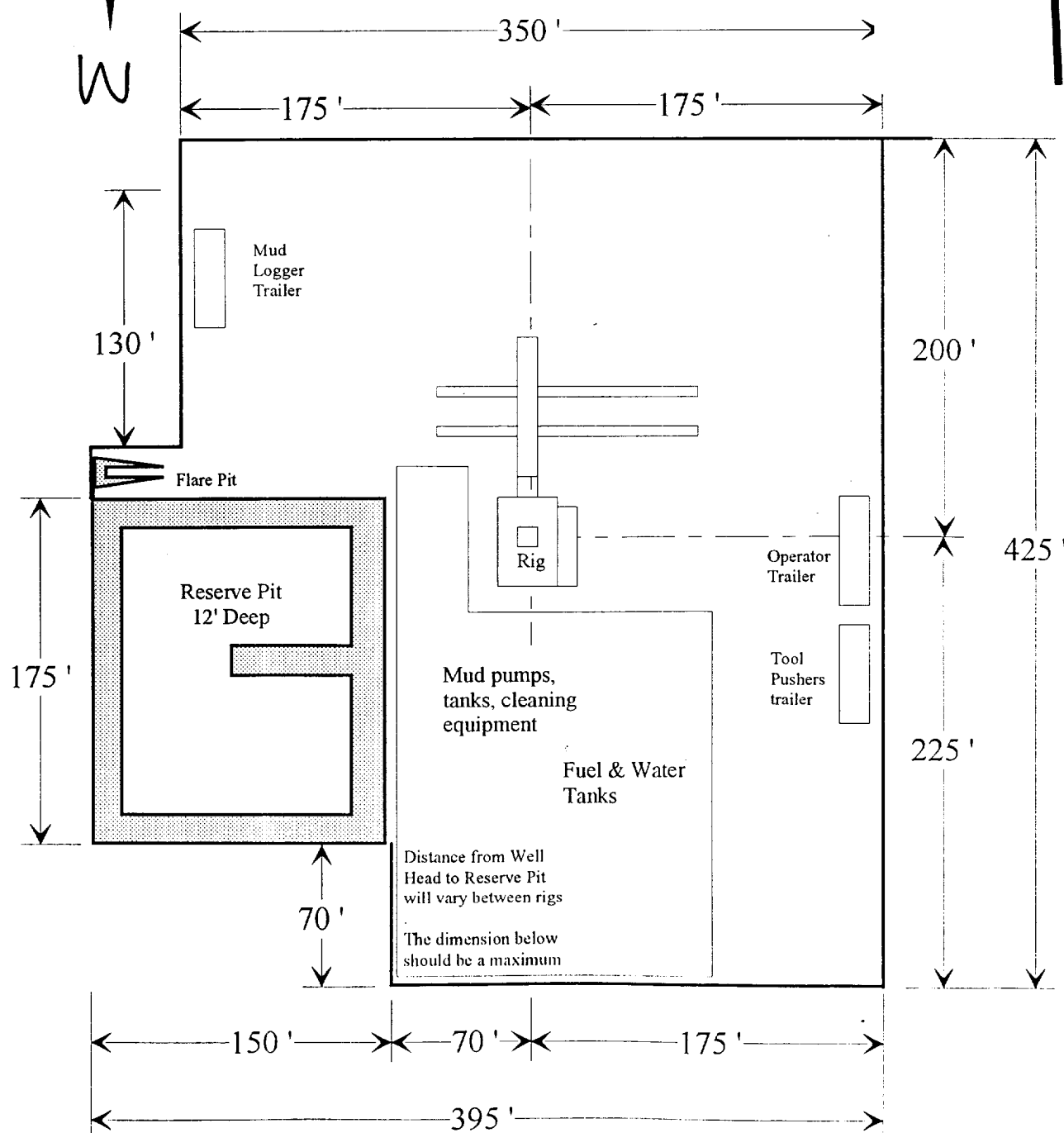
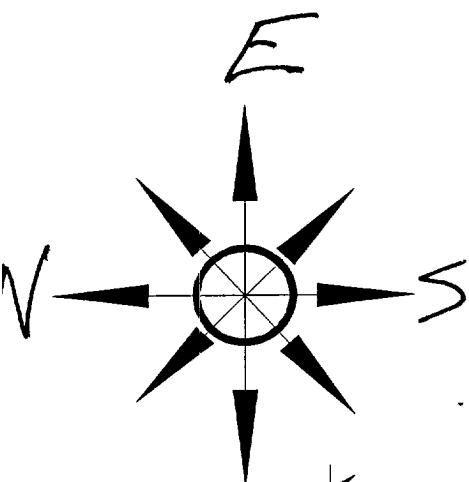
6/26/00


Regulatory Agent

**105 South 4th Street
ARTESIA, NEW MEXICO 88210**

Yates Petroleum Corporation

Location Layout for Permian Basin
12,000' to 14,000'



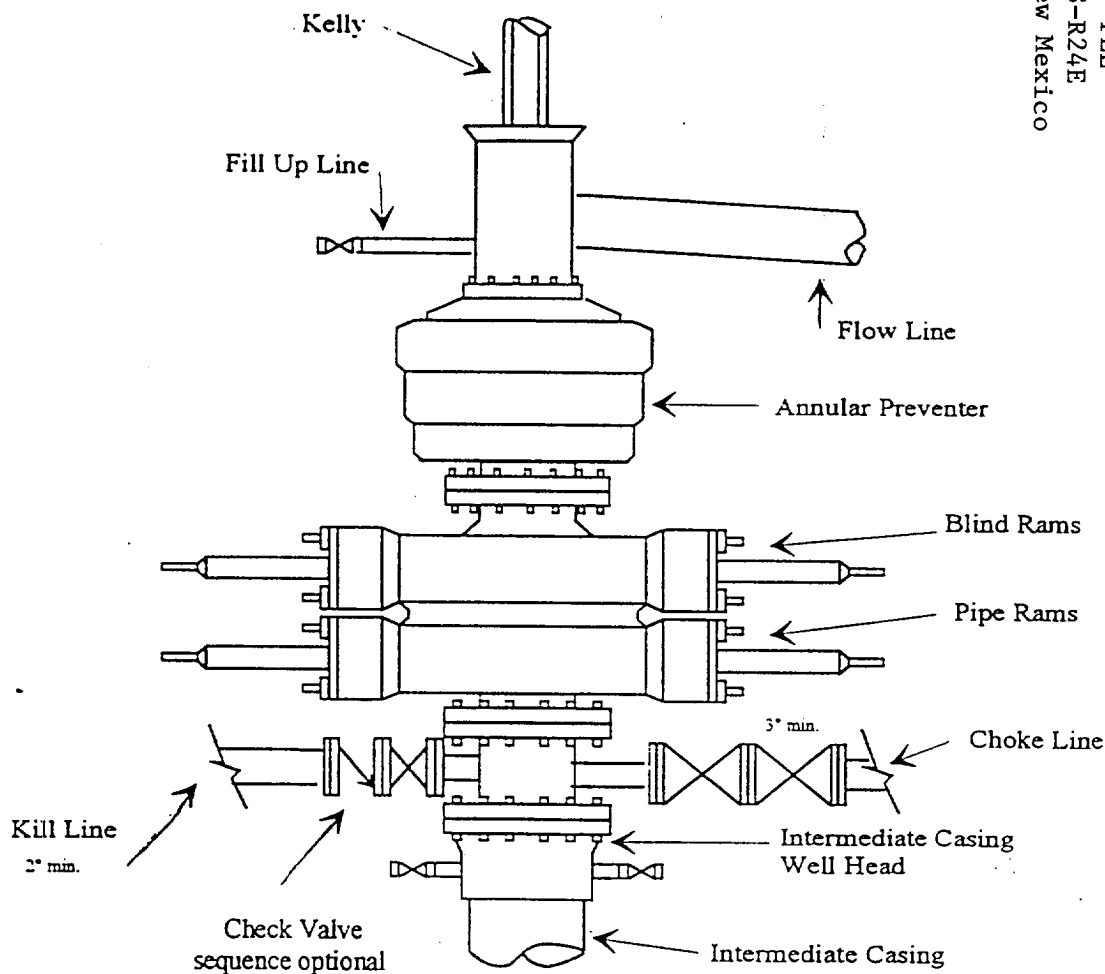
YATES PETROLEUM CORPORATION

105 South 4th Street
ARTESIA, NEW MEXICO 88210

Blown Gasket AVX Fed. Com. #1
660' FSL & 660' FEL
Section 21-T14S-R24E
Eddy County, New Mexico

Yates Petroleum Corporation

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



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

