Form 3160-3 (November 1983)

NM OIL CONS. COMMISSION

DRAWER DO TRIPLICATE ON TRIPLI

Form approved. Budget Bureau No. 1004-0136

(formerly 9-331C)	DEDA DEMENT	OF THE INTE	DIOD	14	Expires Augus	t 31, 1985
			_		5. LEASE DESIGNATION	AND SERIAL NO.
	BUREAU OF	LAND MANAGEME	ΝŢ		NM-71762	
_APPLICATIO	N FOR PERMIT	O DRILL, DEÉF	EN, OR PLUG E	BACK	6. IF INDIAN, ALLOTTE	E OR TRIBE NAME
1a. TYPE OF WORK		10 60), ¹ / ₂ \			
b. TYPE OF WELL		'g DEEPPN □	PLUG BA	CK []	7. UNIT AGREEMENT 1	ATME
	WELL OTHER OF		SINCLE MULTIF	LE	8. FARM OR LEASE NA	ME
2. NAME OF OPERATOR	()	. 9 10	S /		Choque AMX	Fed
	roleum Corporati	on 1 2 3			9. WELL NO.	
3. ADDRESS OF OPERATOR	,	(0) - 9 (1)	7		#1	
	Fourth Street,)	10. FIELD AND POOL,	
At surface	Report location clearly and	in accordance with any	State requirements.*)		Yeso Wildca	at
660'FSL	and 2310' FEL		JUL 2 19	१०२	11. SEC., T., R., M., OR AND SURVEY OR A	BLK. REA
At proposed prod. zo	ne		, , , , , , , , , , , , , , , , , , ,	706	10	-
Same			(), (, D.	<u> </u>	Sec. 5-T18	
	AND DIRECTION FROM NEAR				12. COUNTY OR PARISE	
Approx. 9	miles SE of Art				Eddy	NM
LOCATION TO NEARES PROPERTY OR LEASE	BT	. 16. 1	O. OF ACRES IN LEASE		OF ACRES ASSIGNED HIS WELL 4	0
18. DISTANCE FROM PRO TO NEAREST WELL, I OR APPLIED FOR, ON TR	DRILLING, COMPLETED,	19. г	ROPOSED DEPTH	20. пота	RY OR CABLE TOOLS ROtary	
21. ELEVATIONS (Show w	hether DF, RT, GR, etc.)				22. APPROX. DATE WO	RK WILL START*
3423 GR					ASAP	
23.		PROPOSED CASING AN	D CEMENTING ROSW	ALL CO	NTROLLED WA	TER BASIN
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF CEME	NT
12 1/4	8 5/8	24#	1340	600	sx circulated	
7 7/8	5 1/2 or 4 1/2	15.5 or 10.5	TD	400	sx (See Stipu	lations)
Yates Pet	roleum Corporat:	ion proposes to	drill and test	the Ye	eso intermedia	te

formation. Approximately 1340' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-1340 - FW and 1340 to TD, Cut Brine

BOP PROGRAM: Bop will be installed on 8 5/8" casing and tested daily

No H₂S is expected

Moved loc. to 660' from 320' por Bum on site chick KB	IO-1 7-9-93 NCAAR
ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive	ve zone and propo
ne. If proposed is to drill or deepen directionally give partinent data on subsurface locations and measured and	true vertical der

sed new productive zon vertical depths. Give blowout preventer program, if any.

SIGNED JON DOWN	TITLE Landman	DATE 5/7/93
(This space for Federal or State office use)		
Ron Dunton	APPROVAL DATE	uu 1 - 1993

CONDITIONS OF APPROVAL, IF ANY:

AKEA MANAGEK

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

*See Instructions On Reverse Side

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

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

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

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator				Lease			Well No.								
YATES	PETROLEIM CO	RPORATION		CHOOTIE AN	AY RENEDAT		1								
Unit Letter	YATES PETROLEUM CORPORATION Init Letter Section Township I		CHOQUE AMX FEDERAL Range County			1									
O	5		SOUTH	27 EAST	ATL COL		Y COUNTY, NM								
Actual Footage Loca	ation of Well:	1			NMPM_		1 0001111, 1111								
660	feet from the S	OUTH	line and	2310	feet from t	the EAS	T line								
Ground level Elev.		Formation		Pool	100 170111		Dedicated Acreage:								
3423.		Yeso		Yeso	Wildent		40 Acres								
1. Outline	e the acreage dedicated	to the subject we	ell by colored pen	cil or hachure marks on	the plat below.		L								
2. If more	e than one lease is dedi	icated to the well,	outline each and	identify the ownership t	hereof (both as to workin	ig interest and	royalty).								
	e than one lease of diff tion, force-pooling, etc		s dedicated to the	well, have the interest of	of all owners been consoli	idated by comr	nunitization,								
	Yes		nswer is "yes" typ	e of consolidation											
If answer	is "no" list the owners	and tract descrip	tions which have	actually been consolidat	ed. (Use reverse side of										
	if neccessary.	the well until of	l internete have be	on consolidated the com	nmunitization, unitization	f1:-									
	non-standard unit, elin				unumuzanon, umuzauon	, iorcea-pooiin	g, or otherwise)								
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YATES PETROLEUM CORPORATION

Choque "AMX" Fed #1 660' FSL and 2310' FEL Sec. 5-T18S-R27E County Eddy, State New Mexico

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

383-420
568-594
749-760
954
1236
1250
1291-1300
2595
2718
3900

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

Water: Approx. 300
Oil or Gas: San Andres, Yeso

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8 casing and rated for 2000 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>	Casing Si00	Wt./Ft	<u>Grade</u>	<u>Thread</u>	Coupling	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8'	24#	J-55	8R	ST&C	0-1340	1340
7 7/8"	5 1/2'	15.5#	J-55	8R	LT&C	0-3900	3900
	or 4 1/2'	10.5#	J-55	8R	LT&C	0-3900	3900

Minimum Casing Design Factors: Callapse 1.125, Burst 1.0, Tensile Strength 1.80

Choque "AMX" Fed. #1 Page 2

B. CEMENTING PROGRAM:

Surface casing: 500 sx PSL "C" + 2% CaClz + 5#/sx Gilsonite + 1/4#/sx Celloseal. Tail with 100sx "C" 3% CaClz.

Production Casing: 400 sx Siligate poz Blend, 8% Halad 322, 1/2sx flocele, 3% Chrs, 5#/sx Gilsonite.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u> Type</u>	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0-1340	FW Spud	8.4 8.8	32-40	N/C
1340-TD	Cut Brine	8.7-9.2	30-32	<15cc

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 from surface to TD

Logging: CNL-LTD TD to casing with GR-CNL on up to surface, DLL with RXO to

TD casing

Coring: None

DST's: As warranted

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

Anticipated BHP:

From: TO: Anticipated Max. BHP: PSI From: TO: Anticipated Max. BHP: PSI Anticipated Max. BHP: PSI From: TO: Anticipated Max. BHP: PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 1600 psi

8. ANTICIPATED STARTING DATE:

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

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation CHOQUE "AMX" FED. #1 660' FSL AND 2310' FEL Sec. 5-T18S-R27E County Eddy, State 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 9 miles Southeast of Artesia New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- 1. Go east of Artesia on Highway 82 for approximately 5.3 miles.
- 2. Turn south on Chalk Bluff Road (201) for approximately 4 miles.
- 3. New road starts here.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately .3 miles in length from the point of origin to the northeast corner of the drilling pad. The road will lie in a(n) east to west direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Some traffic turnout will be built.
- 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.

Choque "AMX" Fed. #1 Page 2

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. There are no 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:

Will use closest pit and dirt contractor, will obtain permits and pay for what is used.

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, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

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: Bureau of Land Management Carlsbad, 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.

13. OPERATOR'S REPRESENTATIVE

A. Through A.P.D. Approval:

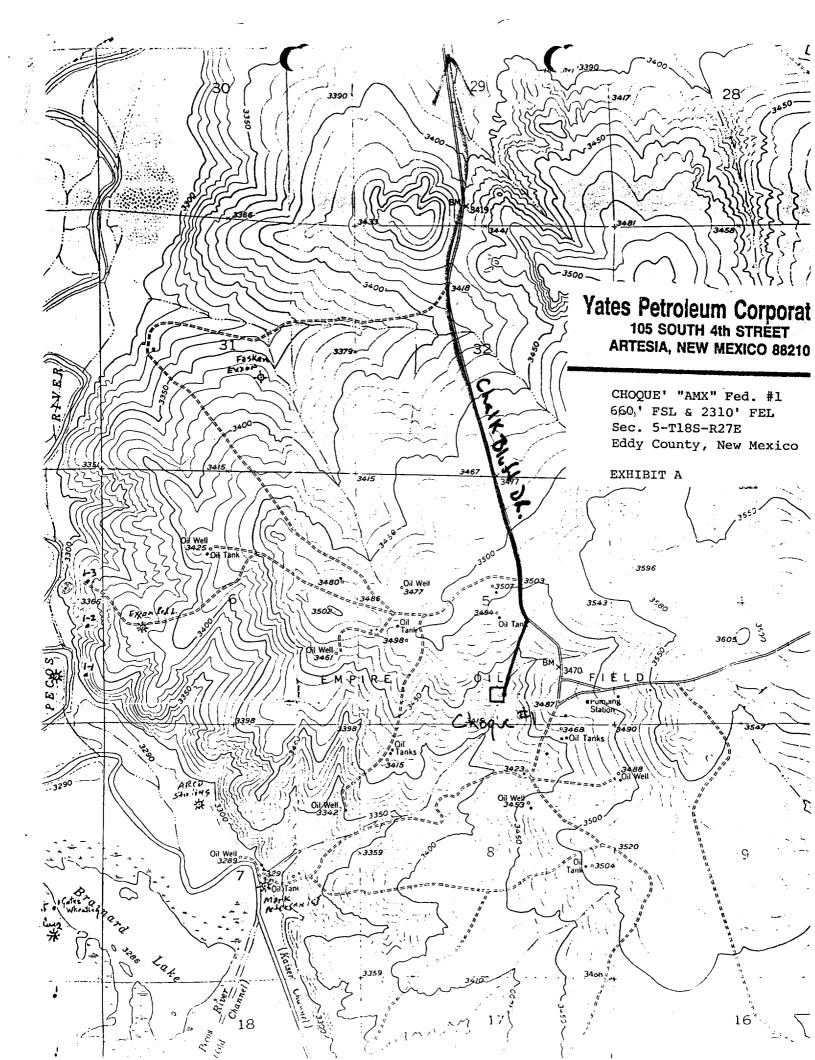
Ken Beardemphl, Landman Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471 B. Through Drilling Operations, Completions and Production:

Mike Slater, 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.

5/7/93 Date



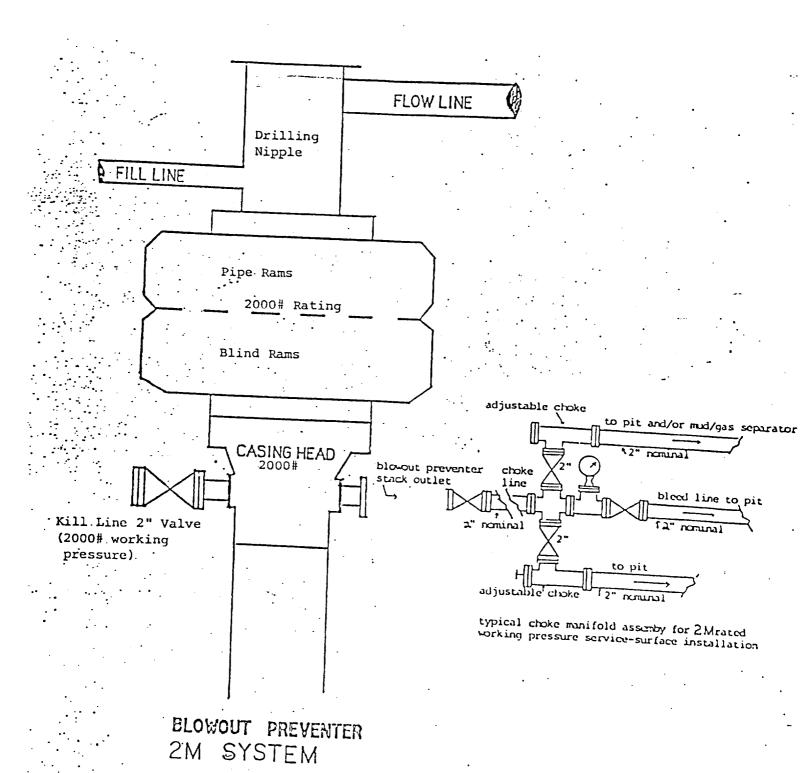
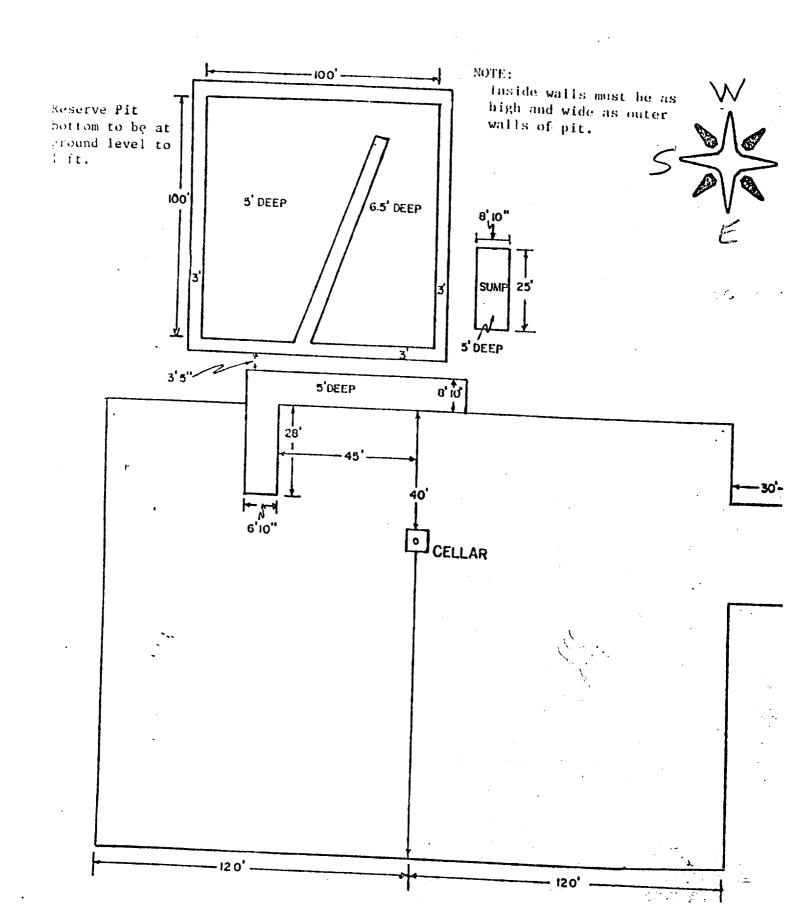


EXHIBIT B

YATES PETROLEU'II CORP. Exhibit C



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