

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐

b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
HARVEY E. YATES COMPANY 10179

3. ADDRESS AND TELEPHONE NO.
P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601

4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS)
AT SURFACE 660' FSL & 735' FEL
AT PROPOSED PROD. ZONE SAME UNITP

5. LEASE DESIGNATION AND SERIAL NO.
NM-56429

6. IF INDIAN, ALLOTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
CHEETAH 18 FED 25861

8. FARM OR LEASE NAME, WELL NO.
#1

9. API WELL NO.
30-015-31130

10. FIELD AND POOL, OR WILDCAT
EMPIRE MORROW SOUTH

11. SEC., T., R., M., OR BLK
AND SURVEY OR AREA
SEC 18, T18S, R29E

12. COUNTY OR PARISH
EDDY

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
10 MILES SOUTHWEST OF LOCO HILL, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 660'

16. NO. OF ACRES IN LEASE
160

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
NONE

19. PROPOSED DEPTH
11,200'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3582 (GR)

APPROX. DATE WORK WILL START
15-May-00

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# ST&C 8RD	300	425 SX "C" w/ 2% CACL & 1/4# FLOSEAL
12 1/4"	8 5/8" J-55	32# ST&C 8RD	3200	350 SX "C" w/ 2% CACL & 1/4# FLOSEAL 1000 SX FILLER *
7 7/8"	5 1/2" J-55, N80 & S-95	17# LT&C 8RD	11200	1ST STAGE-650 SX (61:15:11) W/1% FL-50 & .4% CD-32
				2ND STAGE 35:65 POZ W/2% GEL & 5# SALT. 100 SX "H" NEAT

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# FLOSEAL

PROPOSED MUD PROGRAM	
0-300	FRESH WATER w/ PAPER & SHALE GUARD. MW-9.0 VIS-31
300-3200	BRINE WATER w/ PAPER & SHALE GUARD. MW-10.0 VIS-31
3200-8400	FRESH WATER w/ PAPER, SHALE GUARD, & AMMONIA NITRATE. 60-70,000 CHLORIDES. MW-8.6 VIS-29
8400-11,200	MUD UP WITH BARAZAN, 60-70,000 CHLORIDES MW-9.2-9.8 VIS-34

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 3/16/2000

(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:

/S/LARRY D. BRAY

Assistant Field Manager,
Lands And Minerals

APPROVED BY _____ TITLE _____ DATE MAY 05 2000

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 JURISDICTION

APPROVED FOR 1 YEAR



RECEIVED

MAR 16 2000

BLM
ROSWELL, NM

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

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
Property Code	Property Name CHEETAH 18 FEDERAL		Well Number 1
OGRID No.	Operator Name HARVEY E. YATES COMPANY		Elevation 3562


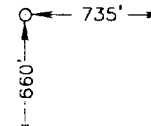
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	18 S	29 E		660	SOUTH	735	EAST	EDDY

Bottom Hole Location If Different From Surface

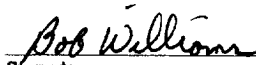
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
302.21									

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 1 30.82 ACRES LOT 2			
30.93 ACRES LOT 3 NM-02957	NM-56429	B-6570-30 3563.0' 3556.5' <div style="text-align: center;">  </div> 3566.5' 3560.2' DETAIL	NM-56429
31.05 ACRES LOT 4 LC-065499			SEE DETAIL <div style="text-align: center;">  </div>

OPERATOR CERTIFICATION

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


 Signature

Bob Williams
 Printed Name

Drilling Superintendent
 Title

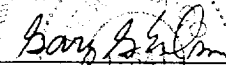
March 16, 2000
 Date

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.

MARCH 7, 2000

Date Surveyed
 Signature & Seal of Professional Surveyor


 00-11-0321

DC
 3/8/2000

Certificate No.

RONALD J. EIDSON 3239
 GARY EIDSON 12641
 MACON McDONALD 12185

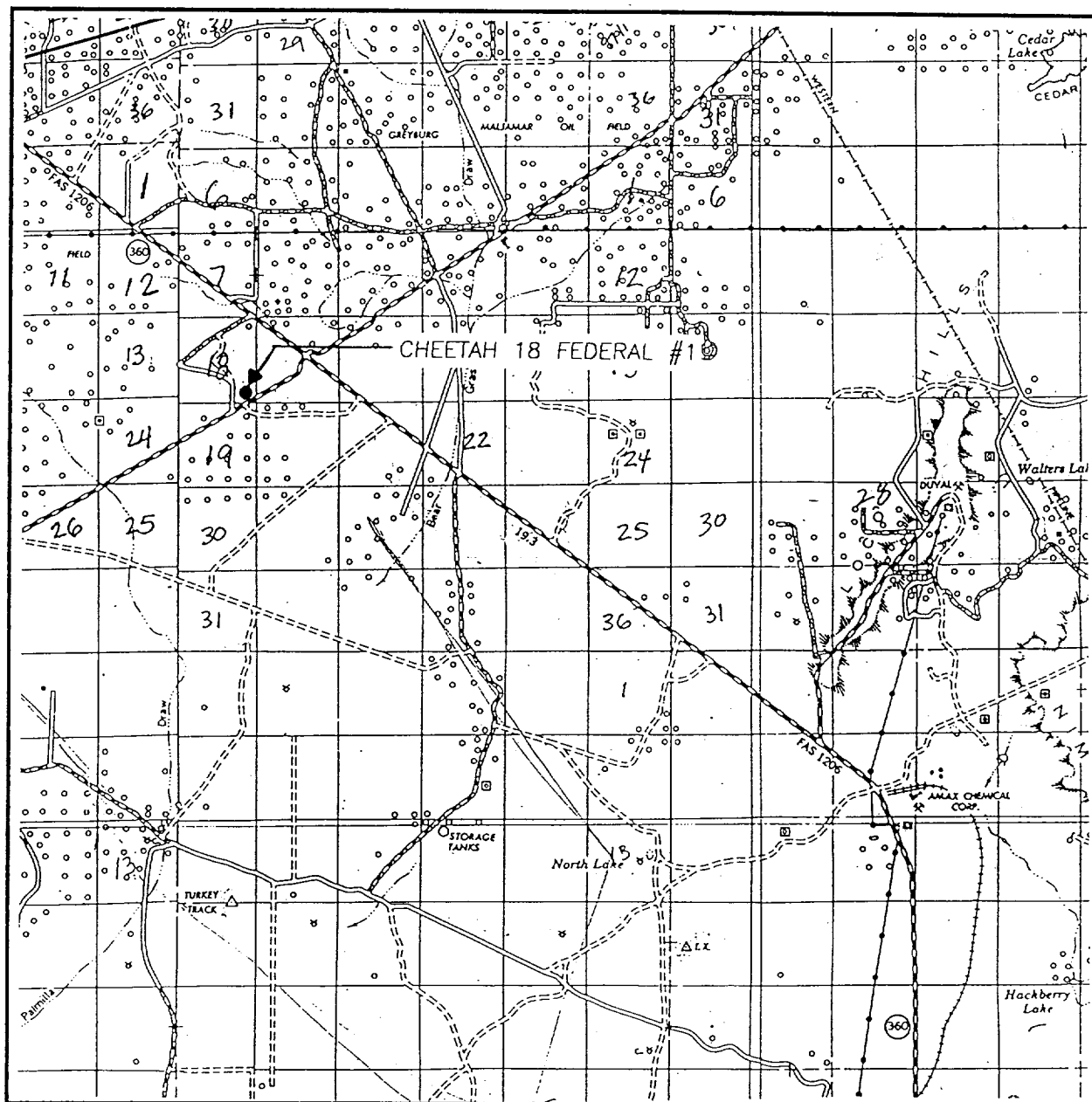


CONTOUR INTERVAL:
RED LAKE SE - 10'
ILLINOIS CAMP NE - 5'

RED LAKE SE, ILLINOIS CAMP NE, N.M.

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

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 18 TWP. 18-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FSL & 735' FEL

ELEVATION 3562

OPERATOR HARVEY E. YATES COMPANY

LEASE CHEETAH 18 FEDERAL

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

**Application
Harvey E. Yates Company
Cheetah 18 Fed #1
Section 18, T18S, R29E
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 280', Yates 960', Seven Rivers 1,260', Bowers 1,735', Queen 1,890', Penrose 2,110', Grayburg 2,255', San Andres 2,665', Bone Springs 3,670', BSPG 1st Sand 6,475', BSPG "B" Zone 6,720', BSPG 2nd Sand 7,165', BSPG "C" Zone 7,735', BSPG 3rd Sand 8,255', Wolfcamp 8,535', Cisco 9,450', Canyon 9,635', Strawn 9,985', Atoka 10,285', Morrow Clastics 10,810', L. Morrow Mkr. 10,965', U. Mississippian 11,035'.
3. **Estimated Depths at which Water, Oil, or Gas Formations are expected:**
Oil: Bone Spring 1st sand @ 6,475
Gas: Bone Spring 1st sand @ 6,475
4. **Proposed Casing Program:**
See Form 3160-3
5. **Pressure Control Equipment:**
BOP & Annular. See Exhibit C.
6. **Drilling Fluid Program:**
See Form 3160-3
7. **Auxiliary Equipment:**
H2S Compliance package
8. **Testing, Logging, & Coring Program:**
Possible rotary sidewall cores will be taken, and one DST is planned for the Wolfcamp, or Atoka. The planned logs are Schlumberger Platform Express w/HALS.
9. **Abnormal Conditions, Pressures, Temperature, or Potential Hazards:**
No abnormal conditions are anticipated in this well bore.
BHST 170 deg F
BHP 4300 psi
10. **Anticipated Starting Date & Duration of Operation:**
Spud Date: Approximately May 15, 2000. Duration of this project will be approximately 50 days from start of Construction of drilling pad until finish of completion operations

Surface Use Plan
Harvey E. Yates Company
Cheetah 18 Fed #1
Section 18, T18S, R29E
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 13 miles east of Artesia, NM. Leave Artesia on U.S. 82 & travel east to the junction of NM 360. Turn South and go 5.4 miles to Eddy County 217. Turn West and go 1 mile. Turn North and go .2 miles to location.
2. **Planned Access Roads:**
Existing road to P&A well will be improved.
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 auxiliary 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 relatively flat with sandy soil and sand dunes.
 - 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 Bogle Ltd.
- 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 is no evidence of any significant archaeological, historical, or cultural sites in the area. Further, 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:

The field representative for assuring compliance with the approved surface use and operation plan is:

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

March 7, 2000



Bob Williams
Drilling Superintendent

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.: NM-56429

Lease Name: Cheetah 18 Fed #1

Legal description of land: Sec 18, T18S, R29E, 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 Williams

Title: Drilling Superintendent

Date: March 7, 2000

EXHIBIT D

Cheetah 18 Fed #1
660' FSL & 735' FEL
Sec 18, T18S, R29E
Eddy County, NM

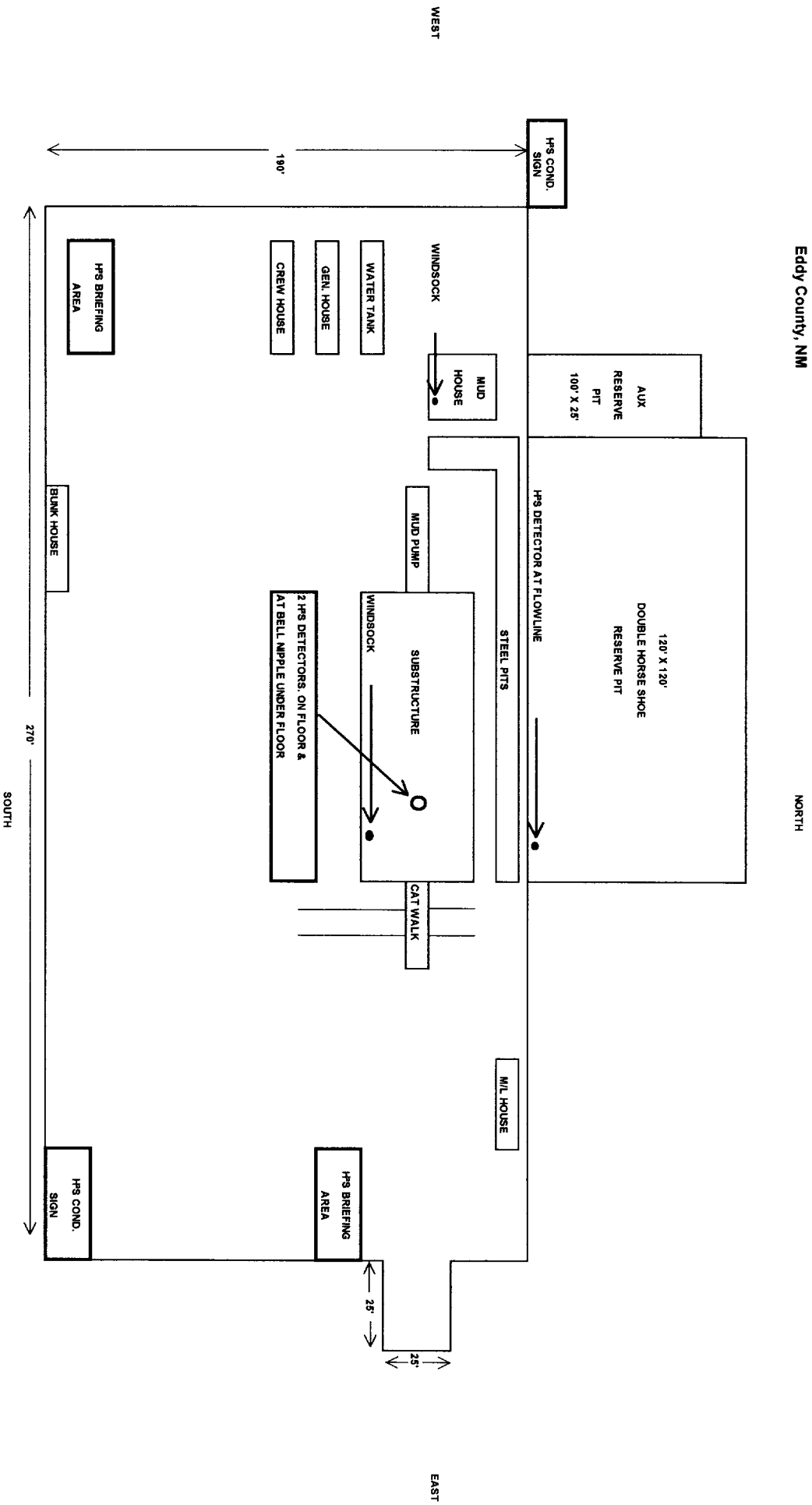
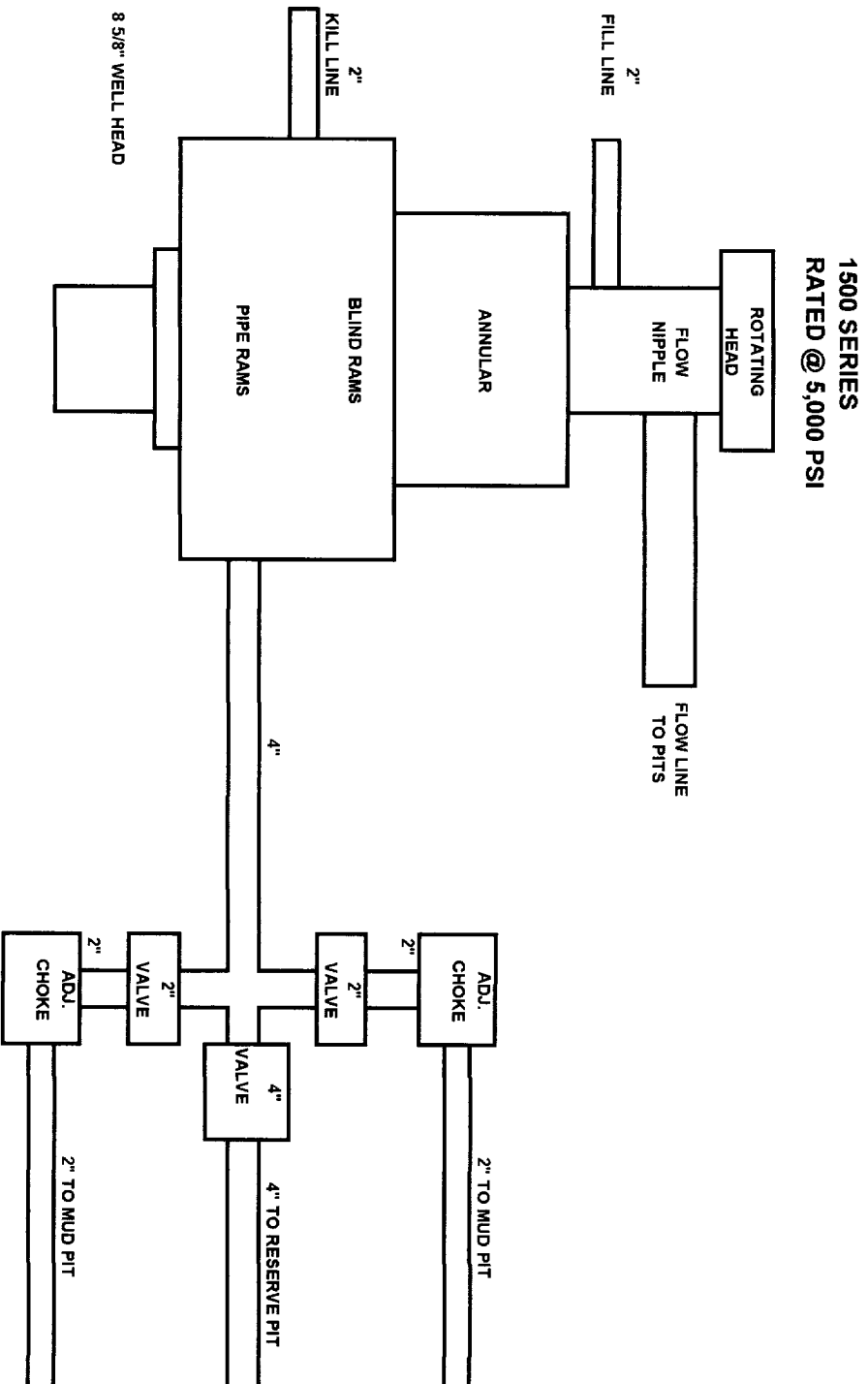


EXHIBIT C BOP STACK

Cheetah 18 Fed #1
660' FSL & 735' FEL
Sec 18, T18S, R29E
Eddy County, NM



Casing Design

Cheetah 18 Fed #1
660' FSL & 735' FEL
Sec 18, T18S, R29E
Eddy County, NM

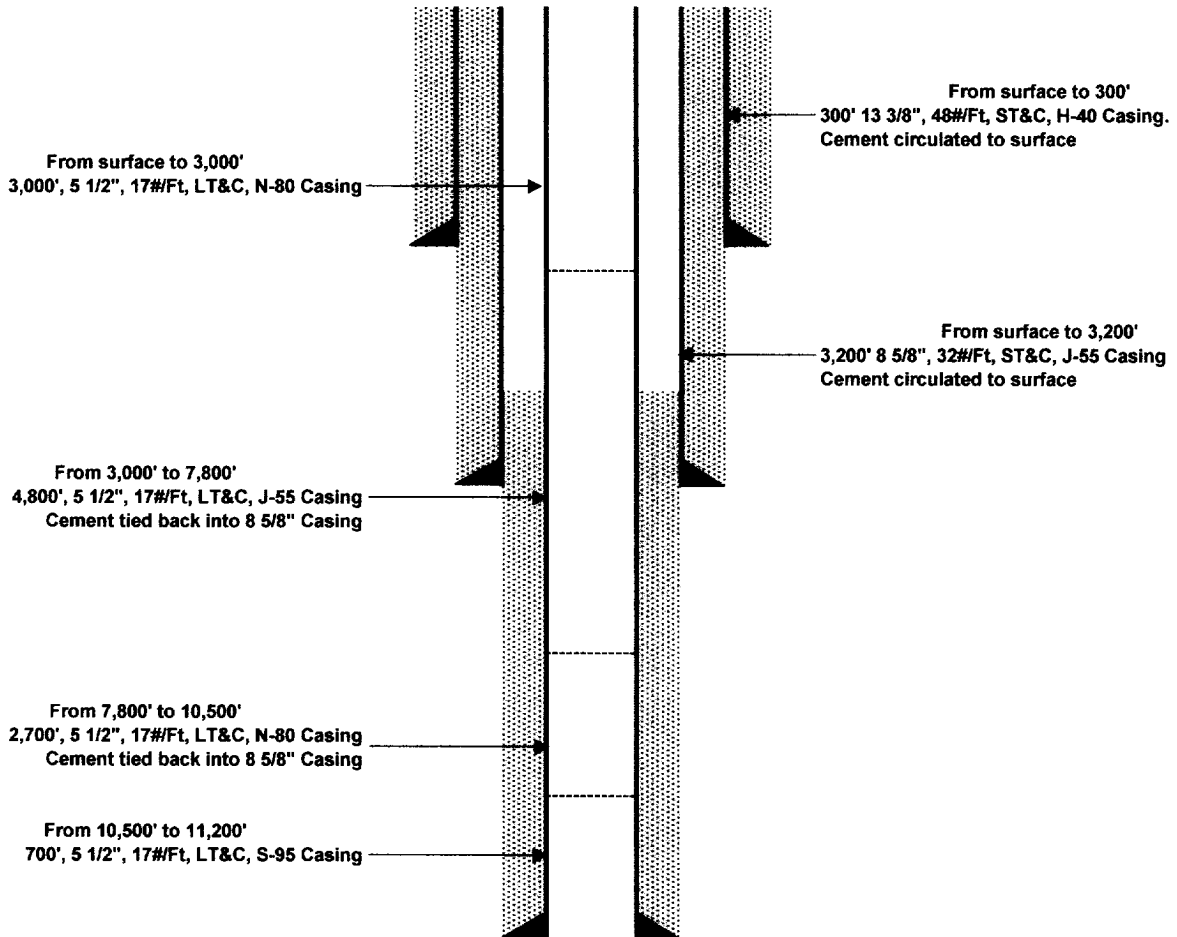


EXHIBIT "E"

**Harvey E. Yates Company
Cheetah 18 Fed #1
Section 18, T18S, R29E
Eddy County, New Mexico**

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 (H²S)**
- 2. The proper use and maintenance of personal protective equipment and life support systems.**
- 3. The proper use of H²S detectors, alarms, warning signs, briefing areas, and evacuation procedures.**
- 5. The proper technique for rescues.**

II H²S Safety Equipment and Systems

All H²S safety equipment and systems will be installed 1,000 feet prior to penetrating the first zone containing or reasonably expected to contain H²S.

- 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. H²S 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. Windsock located on floor and mud pits.**
 - B. Briefing area signs located on NE & SW corners of pad.**
 - C. H²S Condition sign located at entrance to location.**
- 5. Mud Program**

The mud program has been designed to minimize the volume of possible H²S circulated to surface. Proper weight, safe drilling practices, and the use of H²S scavengers will minimize hazards when penetrating possible H²S bearing zones.

6. Metallurgy

All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifolds, and associated lines and valves shall be suitable for an H₂S environment.

7. Communications

Drilling rig and company vehicles will be equipped with two way radios or cellular telephones.

8. Well testing

One Drill Stem Test is planned for this well.