OCD-ARTESIA

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USF

Form 3160-3 (July 1992)					
Harvey E. Yates Company	UNIT	ED STATES			
	DEPARTMEN BUREAU OF	5. LEASE DESIGNATION AND SERIAL NO. NM-068040			
۸P	PLICATION FOR PE				6. IF INDIAN, ALLOTEE OR TRIBE NAME
· · · · · ·	LICATION FOR TE				
1a. TYPE OF WORK	DRILL X	DEEPEN]		7. UNIT AGREEMENT NAME 25527
b. TYPE OF WELL OIL	GAS		SINGLE	MULTIPLE	PARKER DEEP 5 FED COM 8. FARM OR LEASE NAME, WELL NO.
WELL X	WELL X OTHER		ZONE X	ZONE	
2. NAME OF OPERATOR HARVEY E. YATES COMPAN	ir 101	79			8. APJANELL NO. 50 -015 - 32555
3. ADDRESS AND TELEPHONE NO.	NEW MEXICO 88202 505-623-60				10. FIELD AND POOL, OR WILDCAT
	CATION CLEARLY AND IN ACCORDANCE		MENTS		SHUGART-STRAWN 11. SEC., T., R., M., OR BLK
AT SURFACE	990' FSL & 1,98	•			AND SURVEY OR AREA
AT PROPOSED PROD. ZONE	660. L SQR	ECT TO LIKE	APPROVAT'BY ST	TATE	SEC 5, T185, R31E 12 COUNTY OR PARISH 13. STATE EDDY NM
14. DISTANCE IN MILES AND DIRECT	OH FROM NEAREST TOWN OR POST O 10 MILES SOUTHEAST OF LO				
15. DISTANCE FROM PROPOSED			16. NO. OF ACRES IN LEASE		17. NO. OF ACRES ASSIGNED
LOCATION TO NEAREST					TO THIS WELL
PROPERTY OR LEASE LINE, FT.					
(Also to nearest drig, unit line, if a		990'	160		320 W/2 Communitized
18. DISTANCE FROM PROPOSED LO TO NEAREST WELL DRILLING, C			19. PROPOSED DEPTH		20. ROTARY OR CABLE TOOLS
OR APPLIED FOR, ON THIS LEAS		330'	11,900		ROTARY
21. ELEVATIONS (Show whether DF,			the second s		APPROX. DATE WORK WILL START
3,698'					15-Jan-03
23.		PROPOSED CASING	AND CEMENTING PROGRAM	Capita	an Controlled Wator Basia
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	360 525	• • • •	2% CACL & 1/4# FLOSEAL
12 1/4"	8 5/8" J-55	32# ST&C 8RD	4450		2% CACL & 1/4# FLOSEAL 1500 SX FILLER *
7 7/8"	5 1/2" J-55, N80 & S-95	17# LT&C 8RD (SEE EXHIBIT "E")	11900	1100 SX LEAD	& 400 SX TAIL **
CEMENT WILL BE CIRCULA CEMENT QUANTITIES AND * FILLER CEMENT 35/65 "C" ** LEAD: 1100 SX "H" POZ w	OR USED MEETING BLM SPE ITED ON 13 3/8" AND 8 5/8" CA: ADDITIVES ARE SUBJECT TO POZ w/ 6% GEL, 5# SALT, & 1/ / 2% GEL & 5# SALT PER SACI CL, .5% FLUID LOSS, .3% DISPE	SING. CHANGE DUE TO HOL 4# FLOSEAL { ERSENT, 1% BONDING		% SODIUM MET	ASILICATE PER SACK
0-350	FRESH WATER w/ PAPER &	EZ MUD. MW-9.0 VIS-	31		ARILE OCD - ARILE
400-4450	BRINE WATER W/ PAPER & I	EZ MUD. MW-10.0 VIS	-31		000
3100-8800			NITRATE. 30-60,000 CHLORID	ES MW-9.0 VIS-	
8800-11,900	MUD UP W/BARAZAN, 30-60		9.6-9.8, VIS. 34, WL 10-20		
	CHANGE DUE TO HOLE CONDITIO		ctive zone and proposed new productive	e zone. If proposal is	s to drill or
deepen directionally, give pertinent of	iata on subsurface locations and measu	ed and true vertical depths.	Give blowout preventer program, if any.		
24. SIGNED Boll	illion	Bob Williams	TITLE Drilling Supe	erintendent	DATE 12/04/2002
THIS SPACE FOR FEDERAL OR STA	TE OFFICE USE)				
PERMIT NO.			APPROVAL DATE		
APPLICATION APPROVAL DOES NOT WARRANT OR CONDITIONS OF APPROVAL IF ANY:			LECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO		
APPROVED BY	/S/ JOE G. LA	MA	TILE FIELD N	IANAGI	ER DATE DEC 2 3 2002
	MAKES IT A CRIME FOR ANY PER ICTITIOUS OR FRAUDULENT STA				
APPROVI	AL SUBJECT TO			į	APPROVAL FOR 1 YEAR

APPROVAL SUBJECT TO CENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

OCD-ARTESIA

Form 3160-5 HEYCO	UN DEPARTMI BUREAU O SUNDRY NOTICES A	FORM APPROVED Budget Bureau no. 1004-0135 Expires: March 31, 1993 6. Lease Designation and serial No. NM-068040		
		ill or to deepen or reentry to a different r R PERMIT" for such proposals	esevoir	6. If Indian, Allottee or Tribe Name
	SUBMIT			7. If Unit or CA, Agreement Designation
1. Type of Well			· · · · ·	-
Oil Well	Gas			8. Well Name and No.
2. Name of Operator HARVEY E. YAT		······································		PARKER DEEP 5 FED COM #3
Address and Tele		······································		-
P.O. BOX 1933, I	ROSWELL, NM 88201 505-623-6601			9. API Well No.
	(Footage, Sec., T., M., or Survey Description))' FWL SEC 5, T18S, R31E			10. Field and Pool, or Exploratory Area SHUGERT STRAWN 11. County or Parish, State
				EDDY COUNTY, NEW MEXICO
12.	CHECK APPROPRIATE B	OX(s) TO INDICATE NATURE C	F NOTICE, REPOR	RT, OR OTHER DATA
	TYPE OF SUBMISSION	.,	,	,
	X Notice of Intent	Abandonment	Change of Plans	
			New Construction	
	Subsequent Report	Plugging Back	Non-Routine Fractu	ring
		Casing Repair	Water Shut-Off	
	Final Abandonment Notice	Altering Casing	Conversion to Injec	tion
		X Other	Dispose Water	
				of multiple completion on well npletion Report and Log form
	'ION: 690' FSL & 1,980' FWL, SEC 5, T185 TION: 990' FSL & 1,980' FWL, SEC 5, T185			
14. I hereby certify t Signed	that the foregoing is true and correct	Title Drilling Superintendent		Date December 3, 2002
(This space fo Signed	r Federal or State office use) /S/ JOE G. LARA	ALSING FIELD MANAG	ER	DEC 2 3 2002
	tion 1001, makes it a crime for any person knowin as to any matter within its jurisdiction.	gly and willfully to make to any department or ag	ency of the United States any	/ faise, fictitious or fraudulent statements

DISTRICT I P.O. Hox 1980, Hobbs, NM 88241-1980 State of New Mexico

Energy, Minerals and Natural Resources Department

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

Fee Lease	4 Copies - 3 Copies	
🗆 AMENDEI) REPORT	
STRAWN Well Number		
<u> </u>		
3703'		
East/West line WEST	County EDDY	
	4	
East/West line	County	
	<u> </u>	
EN CONSOLID	ATED	
R CERTIFICA		
is true and comp ledge and belief.	lete to the	
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LIAMS		
	T	
Title 12/4/02		
R CERTIFICA	FION	
s plotted from fiel made by me or t that the same is best of my beku	d notes of under my s true and ef.	
Seal of Surveyor 2007 12/0 2.110926 RONALD J EDOS GARY EDOSON	LA 3/02 50N 3239 12641	
	PERINTENDEN R CERTIFICAT that the well locat s plotted from field made by me or t that the same is best of my belie IBER 02, 200 Seel of Surveyor 2.1.1.0926 RONALD J EIDS	

DISTRICT I P.O. Box 1980, Hobbs, NM 88241~1980

DISTRICT II

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

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 State of New Mexico

Energy, Minerals and Natural Resources Department

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

DISTRICT IV

WELL LOCATION AND ACREAGE DEDICATION PLAT P.O. BOX 2086, SANTA FE, N.M. 87504-2088

□ AMENDED REPORT

API Number	Pool Code	Pool Name		
Property Code		operty Name	Well Number	
	PARKER DEF	CP "5" FED. COM.	3	
OGRID No.	Op	erator Name	Elevation	
	HARVEY E.	YATES COMPANY	3703'	

T

Pool Code

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	5	18S	31-E		990	SOUTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

	th 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.
	Signature Printed Name
	Title Date
EXIST. ELEC. LINE	SURVEYOR CERTIFICATION
EXIST. CALICHE ROAD	on this plat was plotted from field notes of actual surveys made by me or under my supervison and that the same is true and correct to the best of my belief.
	DECEMBER 02, 2002 Date Surveyed
$\frac{SCALE}{1"=500'}$	Signature & Seal of Professional Surveyor
	02.11.0926
	Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641

VICINITY MAP



SCALE: 1'' = 2 MILES

SEC. <u>5</u> TWP. <u>18–S</u> RGE. <u>31–E</u> SURVEY <u>N.M.P.M.</u> COUNTY <u>EDDY</u> DESCRIPTION <u>990' FSL & 1980' FWL</u> ELEVATION <u>3703'</u> OPERATOR <u>HARVEY E. YATES COMPAN</u>Y LEASE <u>PARKER DEEP "5" FED. COM.</u>

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

LOCATION VERIFICATION MAP



SCALE: 1'' = 2000'

SEC. <u>5</u> TWP. <u>18</u>—<u>S</u> RGE. <u>31</u>—<u>E</u> SURVEY <u>N.M.P.M.</u> COUNTY <u>EDDY</u> DESCRIPTION <u>990' FSL & 1980' FWL</u> ELEVATION <u>3703'</u> OPERATOR <u>HARVEY E. YATES COMPANY</u> LEASE <u>PARKER DEEP "5" FED. COM.</u> U.S.G.S. TOPOGRAPHIC MAP LOCO HILLS, N.M. CONTOUR INTERVAL: 10' LOCO HILLS, N.M.

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

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Application Harvey E. Yates Company Parker Deep Fed Com #3 Section 5, T18S, R31E Eddy County, New Mexicc

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 allunium and bolson deposits.
- 2. Estimated Tops of Significant Geologic Markers:

, ,					
Rustler	510	San Andres	4,C15	3rd Sand	8,785
Yates	1,925	Delaware	4,315	Wolfcamp	9,000
Seven Rivers	2,320	BSPG	4,820	Penn Shale	9,866
Bowers	2,775	BSPG 1st Sand	7,190	Strawn	10,600
Queen	3,015	B-Zone	7,500	Atoka	11,040
Penrose	3,225	BSPG 2nd Sand	7,790	Mw Clastics	11,485
Loco Hills Snd	3,665	C-Zone	8,470	L. Morrow Mkr	11,700

3. Estimated Depths at which Water, Oil, or Gas Formations are expected: Oil: 3,015

Gas: 3,015

- 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 nole. Due to no pressured formations from base of surface to TD of 12 1/4" hole @ 4,450', and plan to drill this interval with 10# brine, we propose to: 1. Use a 3,000 psi Annular BOP.

- 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.
- 6. Drilling Fluid Program: See Form 3160-3
- 7. Auxiliary Equipment: H2S Compliance Package.
- Testing, Logging, and Coring Program: Two possible DSTS are planned for this well. The planned logs are Schlumberger HALS w/Platform Express and Sonic
- Abnormal Conditions, Pressures, Temperature, or Potential Hazards: No abnormal conditions are anticapated in this wellbore BHST 170° F
 BHP 3,000 psi
- Anticipated Starting Date & Duration of Operation: Spud Date: Approximately Jan 1, 2003. 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 Parker Deep 5 Fed Com #3 Section 5, 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 2.8 miles. Turn west on caliche road. Go .8 miles & turn right into location.

2 Planned Access Roads:

20' 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 surface 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.

11/25/02

Bob William

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 CompanyStreet or Box:P.O. Box 1933City, State:Roswell, New MexicoZip 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: Parker Deep 5 Fed Com #3

Legal description of land: Sec 5, 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: Book will

Title: Drilling Superintendent

DATE: 11/25/02



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SOUTH



EXHIBIT "F"

Harvey E. Yates Company Parker Deep 5 Fed Com #3 690' FSL & 1,980' FWL Sec 5, 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 (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. 3,815'
 - 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.

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8. Well testing

Two Drill Stem Tests are planned for this well.