

clsf

N.M. Oil Cons. L...
811 S. 1ST ST.
ARTESIA, NM 88210-2834



Form 3160-3
(August 1999)

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM-103838

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
26787

8. Lease Name and Well No.
Oso "AVV" Federal #1

9. API Well No.
30-005-10431

10. Field and Pool, or Exploratory
Wildcat Strawn

11. Sec., T., R., M., or Blk. and Survey or Area

Section 17, T19S-R20E

12. County or Parish
Chaves

13. State
NM

1a. Type of Work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
Yates Petroleum Corporation 25575

3a. Address
105 South Fourth Street
Artesia, New Mexico 88210
3b. Phone No. (include area code)
505-748-1471

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 660' FSL and 660' FWL (Unit M)
At proposed prod. zone same

14. Distance in miles and direction from nearest town or post office*
Approximately 15 miles southwest of Hope, New Mexico

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
1879.68

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
6213'

20. BLM/BIA Bond No. on file
585997

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4720'

22. Approximate date work will start*
ASAP

23. Estimated duration
30 days

24. Attachments **ROSWELL CONTROLLED WATER BASIN**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Ken Beardemphl* Name (Printed/Typed) Ken Beardemphl Date 6/14/2000

Title Landman

Approved by (Signature) **LARRY D. BRAY** Name (Printed/Typed) Office ROSWELL FIELD OFFICE Date OCT 05 2000

Title Assistant Field Manager, Lands And Minerals 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)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
SPECIAL STIPULATIONS
ATTACHED

100 200 300

RECEIVED
JUN 16 1963

JUN 16 1963

RECEIVED

100

100

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

¹ API Number 30-005-10431		² Pool Code		³ Pool Name Wildcat Strawn	
⁴ Property Code		⁵ Property Name Oso "AVV" Federal			⁶ Well Number 1
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 4720'

¹⁰ Surface Location

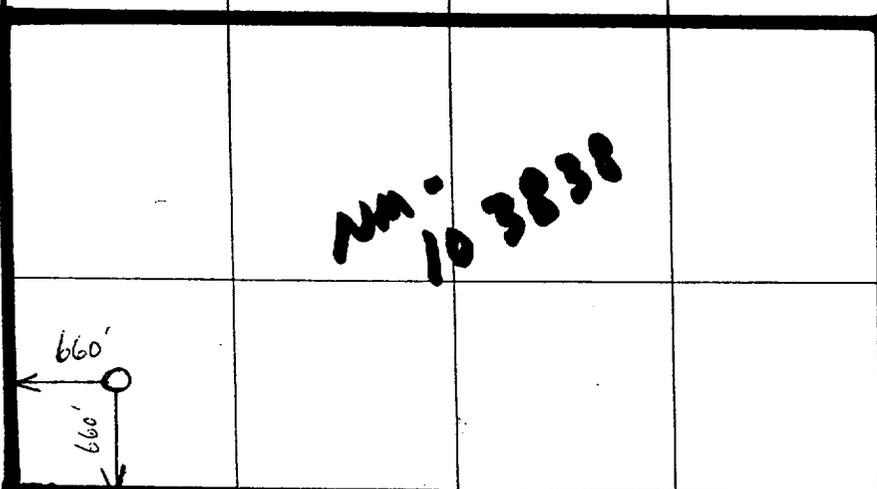
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	19S	20E		660'	South	660'	West	Chaves

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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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:  Printed Name: Ken Beardemphl Title: Landman Date: June 14, 2000	
				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.	
				Date of Survey Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT Certificate Number:	

**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 TEXAS OIL & GAS CORPORATION			Lease FEDERAL "A"		Well No. 123 /
Unit Letter M	Section 17	Township 19 SOUTH	Range 20 EAST	County CHAVES	
Actual Postage Location of Well: 660 feet from the SOUTH line and 660 feet from the WEST line.					
Ground Layer Elev.	Producing Formation Dev.		Pool Wildcat	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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?

RECEIVED

FEB 14 1966

Yes No If answer is "yes," type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated (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.

[Signature]

Name **MAX W. Woodard**
District Engineer

Position
Texas Oil & Gas Corp.
Company

Date
February 9, 1966

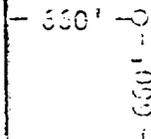
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
NOVEMBER 5, 1965

Registered Professional Engineer
and/or Land Surveyor

[Signature]
Certificate No. **676**

Note: Ground elevation will be supplied at a later date.



YATES PETROLEUM CORPORATION

Oso "AVV" Federal #1
660' FSL and 660' FWL
Section 17,-T19S-R20E
Eddy County, New Mexico

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

Glorieta	968'
Yeso	1042'
Abo	2980'
Strawn	6050'
Chester	6473'
Woodford	6939'
Devonian	6980'

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

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: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 5/8"	48#	H-40	120'	In Place
12 1/4"	8 5/8"	24#	J-55	1790'	In Place
7 7/8"	4 1/2"	11.8#	J-55	6293'	In Place

Minimum Casing Design Factors: Collapse , Burst , Tensile Strength

B. CEMENTING PROGRAM:

Surface casing: In Place.

Intermediate Casing: In Place.

Production Casing: In Place.

6. EVALUATION PROGRAM:

Samples: None.

Logging: As Warranted.

Coring: None

DST's: None

7. ABNORMAL CONDITIONS:

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None.

Maximum Bottom Hole Temperature:

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 20 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Oso "AVV" Federal #1
660' FSL and 660' FWL
Section 17,-T19S-R20E
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 15 miles Southwest of Hope, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go south of Hope, New Mexico on Armstrong Road (12). Go approximately 5 miles And turn west on Trails End Road (19). Road turns on to Russell Loop Road, go to Long Canyon Road. Turn south for approximately 1 mile. Turn east at start of new (old existing) road to location.

2. PLANNED ACCESS ROAD:

- A. The proposed existing access will be approximately a 4th of a mile in length from the point of origin to the southwest corner of the drilling pad. The road will lie in a west to east 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 not 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 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:

None needed.

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:

Federal Surface, administrated by the 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:
- B. Through Drilling Operations, Completions and Production:

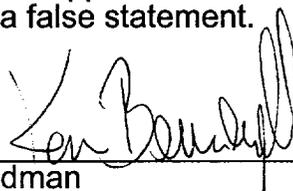
Ken Beardemphl, Landman
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

Brian Collins, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

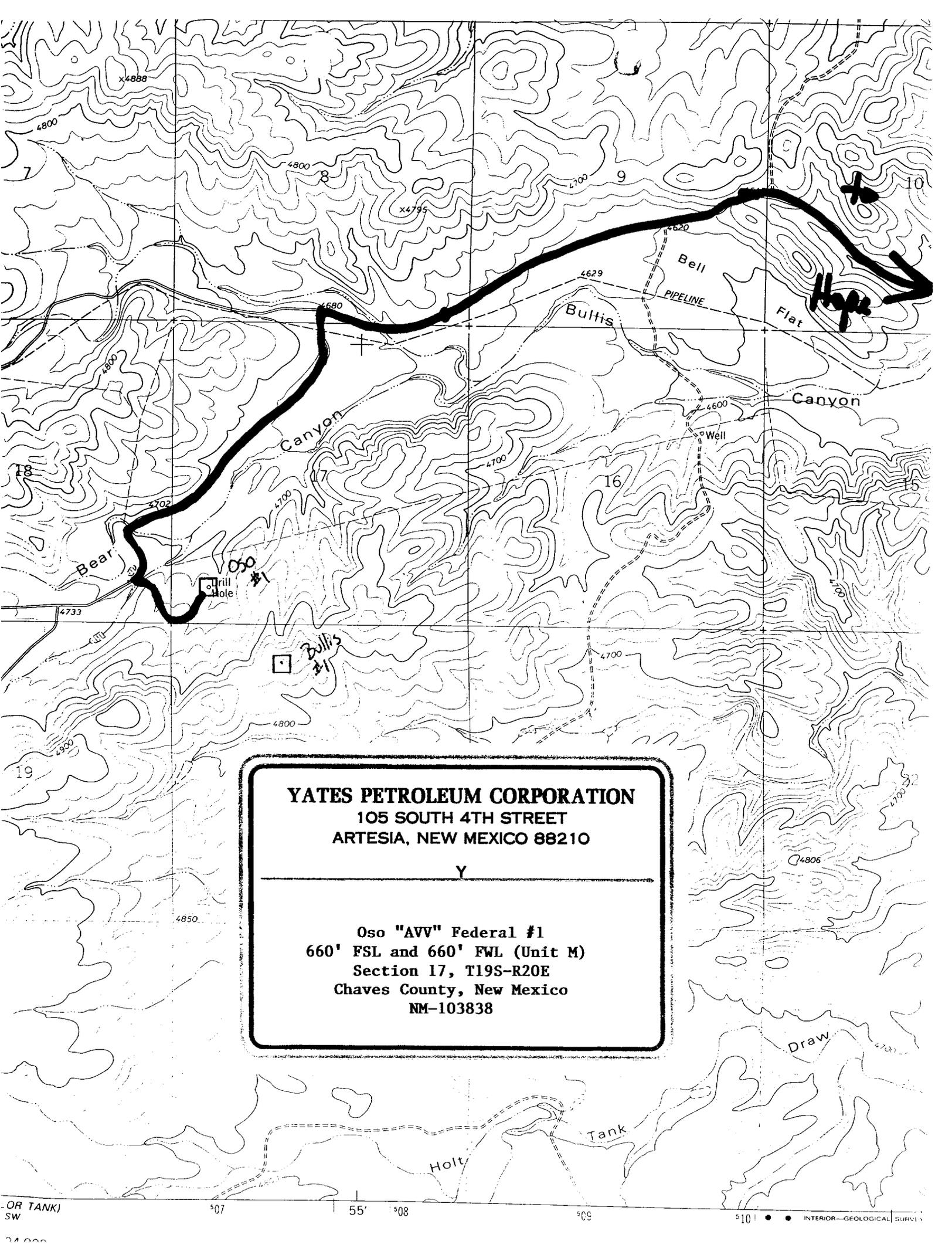
14. CERTIFICATION:

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.

06/14/2000



Landman



YATES PETROLEUM CORPORATION
 105 SOUTH 4TH STREET
 ARTESIA, NEW MEXICO 88210

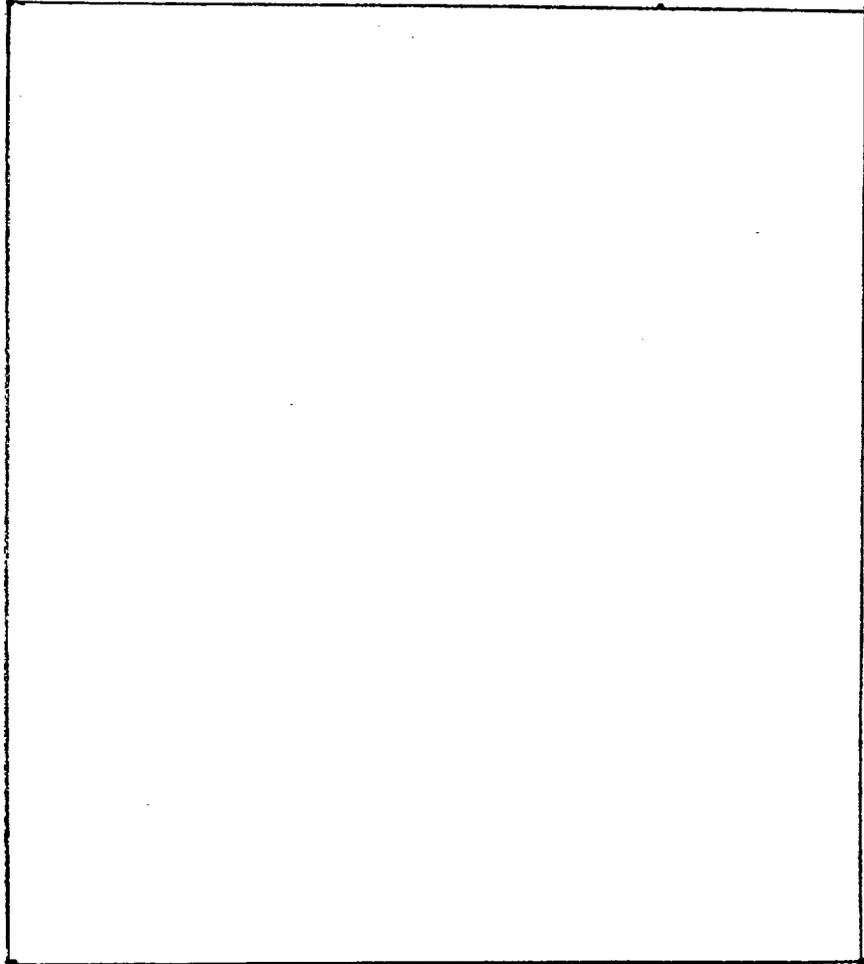
Oso "AVV" Federal #1
 660' FSL and 660' FWL (Unit M)
 Section 17, T19S-R20E
 Chaves County, New Mexico
 NM-103838

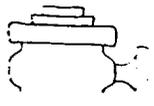
Hope

Oso #1

Bullis #1

YATES PETROLEUM CORPORATION





Yates Petroleum Corporation

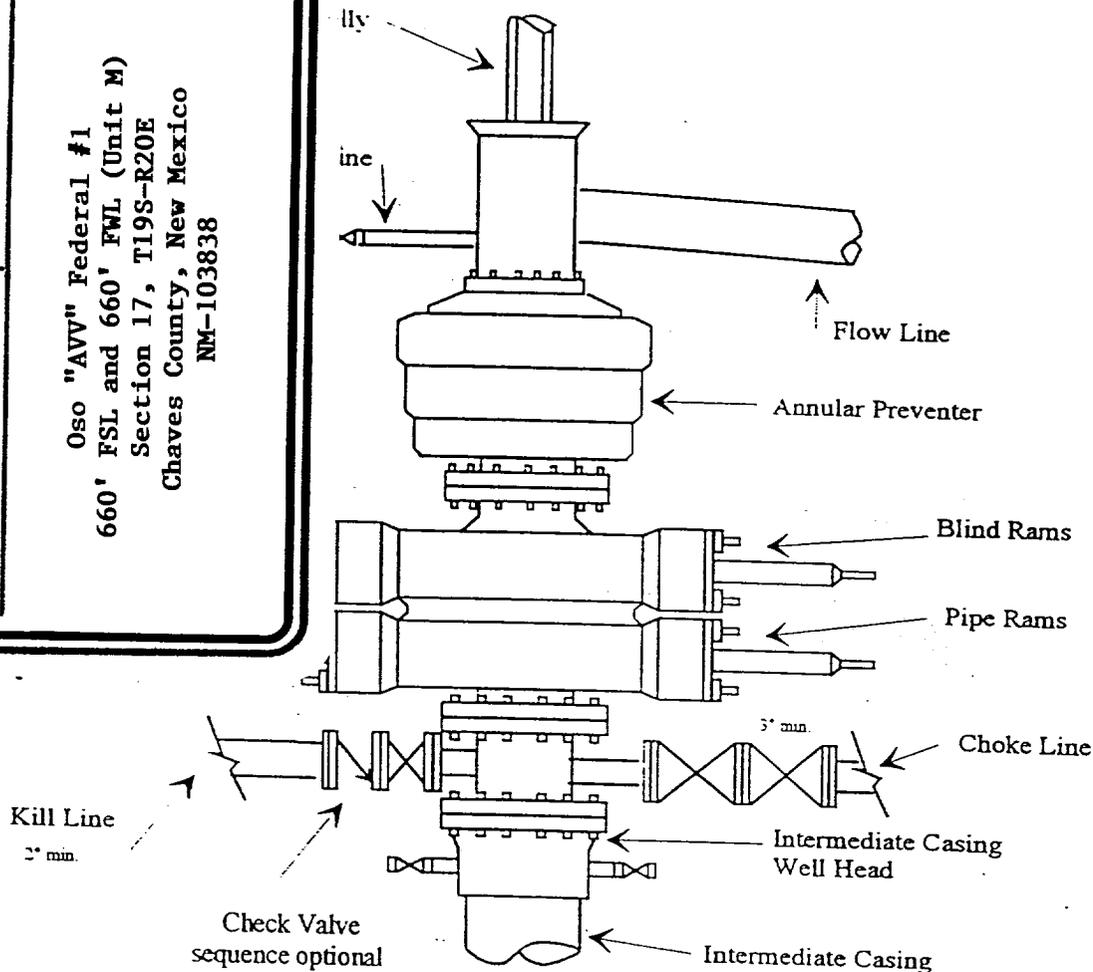
BOP-3

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

YATES PETROLEUM CORPORATION
105 SOUTH 4TH STREET
ARTESIA, NEW MEXICO 88210

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Oso "AVV" Federal #1
660' FSL and 660' FWL (Unit M)
Section 17, T19S-R20E
Chaves County, New Mexico
NM-103838



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

