

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. D.

Oct 6, 1997

10-1884

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

(505) 748-1471

3. Address and Telephone No.

105 South 4th St., Artesia, NM 88210

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FSL & 1650' FEL of Section 34-T20S-R24E (Unit J, NWSE)

5. Lease Designation and Serial No.

NM-045276

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Preston Federal #22

9. API Well No.

30-015-20168

10. Field and Pool, or Exploratory Area

Dagger Draw Upper Penn, So

11. County or Parish, State

Eddy Co., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Revise/amend H2S Drilling Operations Plan
☒ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☒ Dispose Water

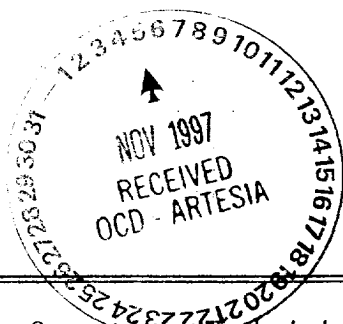
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This sundry is to revise/amend the H2S Drilling Operations Plan included in the Application for Permit to Drill dated July 14, 1997, and approved by the BLM on September 5, 1997.

This revision is to fully define the use of the "trailer", which will only be used for drill stem testing, completion and production operations. A trailer will NOT be on location at all times during drilling/re-entry operations. A trailer will only be on location during drill stem testing, completion and production operations (Paragraph 6).

NOTE: Please see the attached revised/amended H2S Drilling Operations Plan



RECEIVED
OCT 29 A 5:07
BUREAU OF LAND MGMT.
ROSWELL OFFICE

14. I hereby certify that the foregoing is true and correct

Signed

Alexis C. Swoboda

Title

Operations Technician

Date

Oct. 28, 1997

(This space for Federal or State office use)

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA

Title

PETROLEUM ENGINEER

Date

NOV 01 1997

YATES PETROLEUM CORPORATION
Preston Federal #22
1650' FSL and 1650' FEL
Section 34-T20S-R24E
Eddy County, New Mexico

H2S DRILLING OPERATIONS PLAN:

Personnel employed at the rig site shall receive training in H2S detection, safe drilling procedures and contingency plans. H2S safety equipment shall be installed and functional 3 days or 500 feet prior to encountering known or probable H2S zone at 3200 feet.

Submitted with the APD is a well site diagram showing:

1. Drilling rig orientation, location of flare pit
2. Prevailing wind direction
3. Location of access road

Primary briefing area will be established 150' from wellbore and up wind of prevailing wind direction. Secondary briefing area will be established 180 degrees from primary briefing area.

A H2S warning sign will be posted at the entrance of the location. Depending on conditions, a green, yellow or red flag will be displayed.

Green - Normal conditions

Yellow - Potential danger

Red - Danger H2S present

Wind indicators will be placed on location at strategic, highly visible areas. H2S monitors (a minimum of three) will be positioned on location for best coverage and response. H2S concentrations of 10 ppm will trigger a flashing light and 20 ppm will trigger an audible siren.

H2S breathing equipment will consist of:

1. 30 minute "pressure demand" type working unit for each member of rig crew on location
2. 5 minute escape packs for each crew member
3. Trailer with a "cascade air system" to facilitate working in a H2S environment for time periods greater than 30 minutes. A trailer will NOT be on location at all times during drilling/re-entry process. A trailer will only be used on location during drill stem testing, completion and production operations.

Breathing equipment will be stored in weather proof cases or facilities. They will be inspected and maintained weekly.

The mud system will be designed to minimize or eliminate the escape of H2S at the rig floor. This will be accomplished through the use of proper mud weight, proper Ph control of the drilling fluid and the use of H2S scavengers in the drilling fluid. A mud gas separator will be utilized when H2S is present in the mud.

Drilling experience has shown that wells in developmental areas (i.e. Dagger Draw, Livingston Ridge Delaware and Lusk Delaware) are normally pressured and don't experience either H2S kicks or loss of returns. Due to these circumstances, we request exceptions to the rule requiring flare lines with remote lighter and choke manifold with minimum of one remote choke. This equipment would be provided on exploratory wells or wells with the known potential for H2S kicks. Additionally, a SO2 monitor would be positioned near the flare line, and a rotating head utilized.

The drill string, casing, tubing, wellhead, blowout preventors and associated lines and valves will be suitable for anticipated H2S encounters.

Radio and/or mobile telephone communication will be available on site. Mobile telephone communication will be available in company vehicles.

Drill stem testing to be performed with a minimum number of essential people on location. They will be those necessary to safely conduct the test. If H2S is encountered during a drill stem test, essential personnel will mask up and determine H2S concentration. The recovery will then be reversed to flare pit. Pulling of test tools will be conducted in a safe manner.