N.M. UII			<i></i>		0151			
	Je 1301 W. Grand Avenue							
Artesi	ia, NM	88210						
Form 3160-3 5 7 / 20		1. 211		0	0126			
(August 1999) (August 1999) (August 1999) (August 1999)	,	434		OMB No. 1004 Expires November				
RECEIVED DEPARTMENT OF THE D OCD - ARTESIA BUREAU OF LAND MANAG				5. Lease Serial No.				
CD - ARTESIA BUREAU OF LAND MANAG				NM-05571	42			
APPLICATION FOR PERMIT TO DI	APPLICATION FOR PERMIT TO DRILL OR REENTER							
1a. Type of Work:	7. If Unit or CA Agreement,	Name and No.						
	8. Lease Name and Well No							
b. Type of Well: X Oil Well Gas Other Well		Single Zone	Multiple Zone	Ross "EG" Federa	Il Com. #11			
2. Name of Operator				9_API Well No.	202			
Yates Petroleum Corporation 255/5	2h Phone No.	. (include area code		30 - 015 - 10. Field and Pool, or Explore				
3A. Address 105 South Fourth Street Artesia, New Mexico 88210		(505) 748-147		N. Dagger Draw U	•			
4. Location of Well (Report location clearly and in accordance with any			<u> </u>	11. Sec., T., R., M., or Blk, a				
At surface 1980' FSL 8								
At proposed prod. Zone	ame	<u> </u>		Section 20, T19				
14. Distance in miles and direction from nearest town or post office*				12. County or Parish	13. State NM			
Approximately 20 miles SW of Artesia, NM 15. Distance from proposed*	16. No. of Ac	rres in lease	17. Spacing Ur	Eddy NM Unit dedicated to this well				
location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	10. 10. 0171	Neb III Ioube	The speering of	160				
18 Distance from proposed location*	19. Proposed	Depth	20. BLM/BIA	Bond No. on file				
to nearest well, drilling, completed, applied for, on this lease, ft	8	300'		585997				
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approxin	nate date work will	start*	23. Estimated duration				
3542' GL		ASAP		l				
	24. Atta							
The following, completed in accordance with the requirements of Onshor	re Oil and Gas (Order No. 1, shall be	e attached to this	form:				
1. Well plat certified by a registered surveyor.		4. Bond to c	over the operatio	ns unless covered by an existin	g bond			
2. A Drilling Plan.		on file (see	e Item 20 above).					
3. A Surface Use Plan (if the location is on National Forest System Land	ls, the		ertification.	1/ 1				
SUPO shall be filed with the appropriate Forest Service Office.			horized office.	ormation and/or plans as may b	e lequileu			
25. Signature	l Nam	e (Printed/Typed)		Date	<u></u>			
23. signature on owth	1	Cowan			4/1/02			
Title:								
Regulatory Agent	Nam	e (Printed/Typed)		Date				
Approved by (Signature) /s/ LESLIE A. THEISS	I I		A. THE	EISS	Y U 3 2002			
Title FIELD MANAGER								
Application approval does not warrant or certify that the applicant holds	legal or equitat	ole title to those righ	ts in the subject	lease which would entitle the a	pplicant to conduct			
operations thereon.				AL FOR 1 YEA				
Conditions of approval, if any, are attached.								
Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make it a States any false, fictitious or fraudulent statements or representations as	to any matter w	rithin its jurisdiction	l.	and to any department of agene	,			
*(Instructions on reverse)		APPR	OVAL SUF	LIECT TO				

Knowell Controlled Water Basin

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

BECEIVED

2002 APR - 3 AM 8: 26

BUREAU OF LAND MGMT.

DISTRICT I 1635 M. Franch Dr., Hobbs, MA 88340 DISTRICT II 411 South First, Artonia, NM 86810 DISTRICT III 1000 Bio Brazos Ed., Astec, NM 87410 DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87605

State of New Mexico

Energy, Minarals and Natural Resources Departma

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				
						N. Dag	per Penn			
Property Code					Property Nam			Well Ni	Well Number	
				ROSS EG FEDERAL COM				11		
OGED No. Operator Name					Elevation					
025575 Yates Petroleum Corporation					3542					
					Surface Loc	ation				
UL or lot No.	Section	Township	Range	Lot Idn	Fost from the	North/South line	Fact from the	East/West line	County	
J	20	195	25E		1980	South	1980	East	Eddy	
	•	A	Bottom	Hole Lo	cation If Diffe	erent From Sur	face	·		
III. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Vest line	County	

UL er lot No.	Section	Townshi	ip	Range	Lot kin	Feet from the	Morth/South line	Feet from the	Mant/ west mile	County
Dedicated Acres	Joint o	r Infill	Com	solidation (Code Or	rder No.		-		
160										

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 horsen is true and complete to the best of my knowledge and ballsf.
		Signature
		Cy Cowan
		Printed Name
		Regulatory Agent
		<u>4/2/02</u>
		Date
		SURVEYOR CERTIFICATION
	•	I hereby certify that the well location shown
NM-0557142		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 is the best of my bollaf.
l Y		
		REFER TO ORIGINAL PLAT
		Date Surveyed Signature & Seel of
		Professional Surveyor
	FEE	
	100	
		Certificate No. Herschel L. Jones RLS 3640
		GENERAL SURVEYING COMPANY

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

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

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

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

3542. Cisco Canyon N. Dagger Draw Upper Penn 160 Arrs 1. Outline the arrage dedicated to the subject well by colored pecil or hachure marks on the plat below. 2. If more than one lass is dedicated to the well, outline each and idensity the ownerhip thereof (boh as to working interest and royalty). 3. If more than one lass is dedicated to the well, outline each and idensity the ownerhip thereof (boh as to working interest and royalty). 3. If more than one lass is dedicated to the well, have the interest of all owners bees consolidated by communitization, multitation, formed pooling, or otherwise) 1. However is 'noo' list the owner and uned descriptional which have ascanally bees consolidated. (Use reverse used of the owner their is the state information) unsitiation, forced-pooling, or otherwise) OPERATOR CERTIFICATION is in the each and iteriate have been approved by the Division. Image: Division of the owner mark is the been consolidated (Division. OPERATOR CERTIFICATION is one of the owner the information in the each complete to the of more mark on the each complete to the of more been of the owner in the each complete to the of my boostedge and belief. Image: Division of the owner mark is the transmitted of the each and the state is the owner in the each complete to the of the owner in the each complete to the owner mark on the each and the eac	Operator				Lease				T	Well No.
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YATES PETROLEUM CORPORATION Ross "EG" Federal #11 1980' FSL and 1980' FEL Sec.20-T19S-R25E Eddy County, New Mexico

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

San Andres	704'
Glorietta	2209'
Bone Spring Lime	3419'
3 rd Bone Spring Lime	4742'
Wolfcamp Lime	5509'
Canyon Lime	7602'
Canyon Dolomite Top	7683'
Base Canyon Dolomite	7943'
TD	8300'

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

Water: Approximately 275' Oil or Gas: Canyon

3. Pressure Control Equipment: BOPE will be installed on the 9 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)

Hole Size	Casing Size	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>
14 3/4"	9 5/8"	36#	J-55	ST&C	1100'
8 3/4"	7"	23-26#	J-55 & N-80	ST&C	0-8150'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8

Ross "EG" Federal #11 Page 2

 B. CEMENTING PROGRAM: Surface casing: 700 sx 'H', w/12% thicksad, 10# Gilsonite, ½# Cellosal 2% CaCl2 Tail with 200sacks, 2% CaCl2.

Production Casing: 500 sx Class H w/5# CSE, 5 # Gilsonite, ¹⁄₄# celloseal. DV tool @ 5900.

 2^{nd} Stage: 750 sx Lite, 5# salt, 5# Gilsonite, $\frac{1}{4}$ # celloseal. Tailed with 100 sacks 'H'.

5. Mud Program and Auxiliary Equipment:

Interval	Type	Weight	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1100'	FW Gel/LCM	8.3 - 8.6	30	N/C
1100'-7600'	Cut Brine	8.8 - 9.2	29	N/C
7600'-TD	Cut Brine/Starch	9.0 - 9.2	30 - 34	<10cc

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 400' to TD. Logging: CNL/LTD from TD to casing, with GR/CNL up to surface; DLL with RXO from TD to casing. Coring: None anticipated. DST's: As warranted.

 Abnormal Conditions, Bottom hole pressure and potential hazards: Anticipated BHP: From: 0 TO: 1500' Anticipated Max. BHP: 450 PSI From: 1500' TO: 8300' Anticipated Max. BHP: 2300 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: 0-1100'

H2S Zones Anticipated: Canyon

Maximum Bottom Hole Temperature: 127 F

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 30 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN Yates Petroleum Corporation Ross "EG" Federal #11 1980' FSL and 1980' FEL Sec.20-T19S-R25E 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 well site is located approximately 20 miles southwest of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go south of Artesia, NM on Highway 285 for approximately 13 miles to Rockin R Red Road. Turn west and go approximately 6.5 miles. Turn south on caliche road for approximately 0.7 miles. New road starts here going east.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 1300' in length from point of origin to the southwest edge of 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 erosion.
- C. The new road will be bladed with drainage on one side. No traffic turnout will be built.
- 3. LOCATION OF EXISTING WELL
 - A. There is drilling activity within a one-mile radius of the well site.
 - B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are 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.

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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:

Federal pit located in Section 18, T19S-R25E.

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 landfill. Burial on site is not approved.
- 8. ANCILLARY FACILITIES:
 - A. A 3" steel buried flow line to the Ross #3 battery, approximately 3300' in length (on topo) being 30' wide right-of-way.
 - B. A 3" phase, 480 volt, rupture proof power line, 25' wide and approximately 1300' in length next to the new road right-of-way.
- 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 well site 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.

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- 11. SURFACE OWNERSHIP: Mr. Carl Ross Yates Petroleum Corporation and Mr. Ross have made an agreement on surface damages.
- 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:

Cy Cowan, Regulatory Agent Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471 Pinson McWhorter, 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.

Regulatory Agent

4/2/02





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





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