

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Co. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
BIA No. 1004-0135
Expires November 30, 2000

951

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-56350
2. Name of Operator Yates Petroleum Corporation		6. If Indian, Allottee or Tribe Name
3a. Address 105 S. 4th St. - Artesia, NM 88210	3b. Phone No. (include area code) 505-748-1471	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 1650' FSL & 2310' FWL of Sec. 22-T21S-R24E (K, NESW) BHL: 660' FSL & 660' FWL of Section 22-T21S-R24E (Unit M, SWSW)		8. Well Name and No. Lowe Staple AMR Federal Com #1
		9. API Well No. 30-015-10040
		10. Field and Pool, or Exploratory Area Wildcat Morrow
		11. County or Parish, State Eddy Co., NM

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

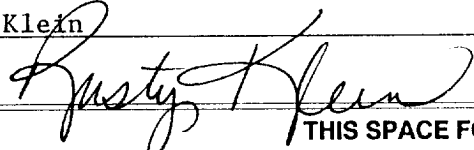
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum Corporation respectfully requests permission to plug back on this well to a depth of 4000' in order to kick off and drill horizontally. Will plug back as follows:

1. TOOH with 2-7/8" tubing.
2. TIH with CIBP and set CIBP at 9515'. TOOH. TIH and tag CIBP. Load hole with plugging mud. Spot a 35' Class C cement plug on top of CIBP at 9515'.
3. TIH with CIBP and set CIBP at 7558'. TOOH. TIH and tag CIBP. Spot a 35' Class C cement plug on top of CIBP at 7558'. TOOH with tubing.
4. Spot a 50 sack Class C cement plug from 5900-5600'.
5. Cut 7" casing at 4050'. Attempt to pull casing. If casing is not free, determine free point of the casing. Cut casing at free point and pull casing.
6. Spot a 55 sack Class C cement plug from 4100-4000' (across the 7" casing stub). Pull up hole with tubing. WOC. TIH and tag plug. Respot plug until satisfactory.
7. Release well to drilling department

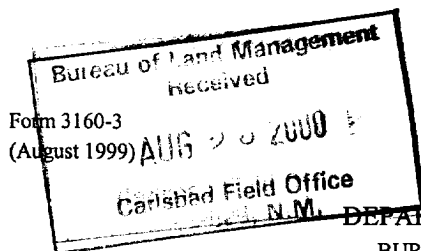
NOTIFY BLM-CARLSBAD (505-234-5909) 24 HOURS PRIOR TO COMMENCING PLUGGING OPERATIONS

14. I hereby certify that the foregoing is true and correct		SEE ATTACHED DIAGRAMS	
Name (Printed/Typed) Rusty Klein		Title Operations Technician	
Signature 		Date May 22, 2001	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

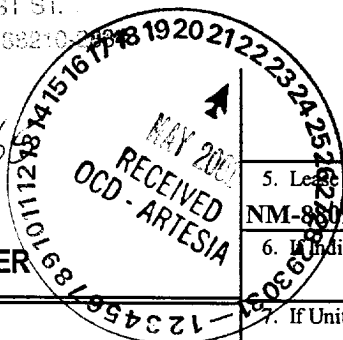
Approved by (ORIG. SGD.) ALEXIS C. SWOBODA	PETROLEUM ENGINEER	Date MAY 26 2001
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office

c15F



N. M. Oil Cons. Division

811 S. 1ST ST.
ARTESIA, NM 88210-2408



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER			5. Lease Serial No. NM-88092	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			6. Indian, Allottee or Tribe Name	
2. Name of Operator Yates Petroleum Corporation			7. If Unit or CA Agreement, Name and No.	
3A. Address 105 South Fourth Street Artesia, New Mexico 88210		3b. Phone No. (include area code) (505) 748-1471		8. Lease Name and Well No. #1 Lowe Staple "AMR" Federal Com. #2
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1650' FSL and 2310' FWL At proposed prod. Zone 660' FSL and 660' FWL (Bottom Hole)			9. API Well No. 30-015-10040	
14. Distance in miles and direction from nearest town or post office* 20 miles northwest of Carlsbad, New Mexico			10. Field and Pool, or Exploratory Wildcat Morrow	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1650'		16. No. of Acres in lease 80	11. Sec., T., R., M., or Blk, and Survey or Area Section 22, T21S-R24E	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1/2 mile		19. Proposed Depth 9900'	12. County or Parish Eddy	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3679'		22. Approximate date work will start* ASAP	17. Spacing Unit dedicated to this well 320	
			20. BLM/BIA Bond No. on file 585997	
			23. Estimated duration 30 Days	

24. Attachments

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 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. | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) Cy Cowan	Date 8/18/00
Title: Regulatory Agent		
Approved by (Signature) 	Name (Printed/Typed) /S/LARRY D. BRAY	Date MAY 18 2001
Title Assistant Field Manager, Lands and Minerals	Office ROSWELL FIELD OFFICE	APPROVED FOR 1 YEAR

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, 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)

YATES PETROLEUM CORPORATION

Lowe Staple AMR Federal Com. #2

Drilling Prognosis

Page 2

This well was originally drilled by Ralph Lowe in July, 1963, the well was re-entered by Yates Petroleum Corporation in May of 1993, as the Lowe Staple AMR Federal Com. #1..

Yates Petroleum Corporation proposes to re-enter this shut in well. The tubing and tools will be pulled from the well and the perforations will be left open. A cast iron bridge plug will be set at 9,400' to isolate current perforations in the Morrow formation. A second cast iron bridge plug will be set at +/-7,623'. A whipstock will then be set inside of the casing on top of the cast iron bridge plug. A window will then be milled in the casing at 7,603' and the wellbore will be sidetracked out of the 7" casing. A 4 3/4" bit will be used for the horizontal lateral. A build rate of 60 degrees/100' will be used until a maximum inclination of 105 degrees is reached. The 105 degree inclination will be held to climb up to a TVD of 7,660' (7920' MD). At this point the inclination will be returned to 90 degrees (at a drop rate of 60 degrees/100'). From this point the 90 degree angle will be maintained and a lateral approximately 1,900' long will be drilled. The end of the lateral will be 7,770' TVD and 9,590' MD.

MUD PROGRAM: 0-TD Fresh Water (Weight: 8.4-9.6, Vis: 28-32).

BOPE PROGRAM: 3000 # BOPE will be nipped up on 9 5/8 in casing.

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 ResourcesOIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505Form C-102
Revised March 17, 1999Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name Wildcat Morrow	
Property Code		Property Name Lowe Staple "AMR" Federal Com			Well Number 2
OGRID No. 025575		Operator Name Yates Petroleum Corporation			Elevation 3679'

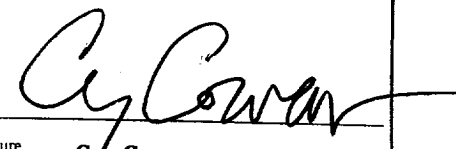
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	22	21S	24E		1650'	South	2310'	West	Eddy

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		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

¹⁶ <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 2px solid black; padding: 5px; text-align: center;"> NM 56350 2310' </div> <div style="border: 2px solid black; padding: 5px; text-align: center;"> NM 76944 </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 20px;"> <div style="border: 2px solid black; padding: 5px; text-align: center;"> NM 88092 </div> <div style="border: 2px solid black; padding: 5px; text-align: center;"> FEE </div> </div>				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Cy Cowan Printed Name Regulatory Agent Title August 10, 2000 Date	
				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. Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor:	
				Certificate Number	

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

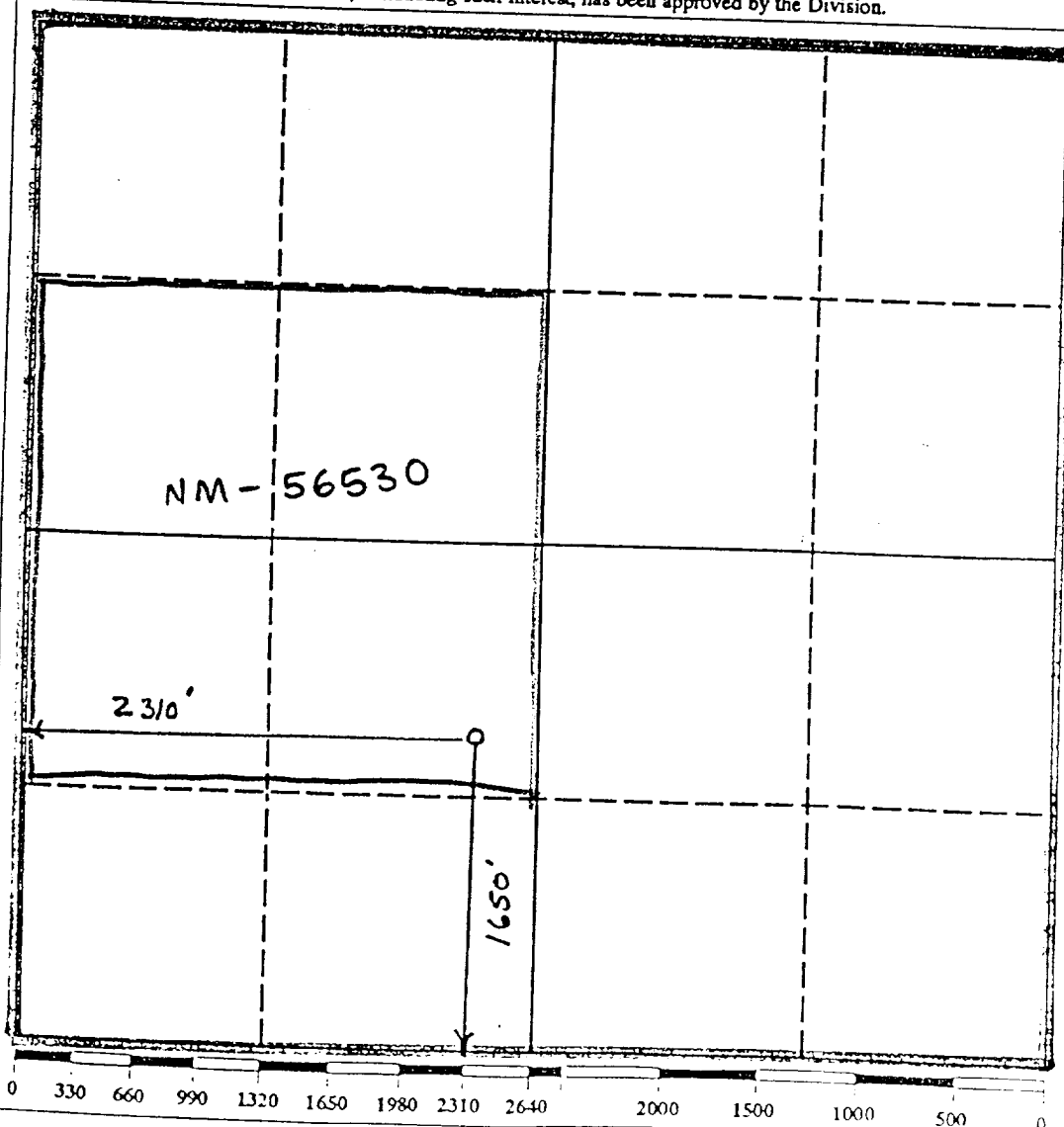
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Yates Petroleum Corporation			Lease Lowe Staple AMR Fed #		Well No. 1
Unit Letter K	Section 22	Township T-21-S	Range R-24-E	County Eddy	
Actual Footage Location of Well: 1650' feet from the South line and 2310 feet from the West line					
Ground level Elev. 3679		Producing Formation Morrow		Pool Wildcat Morrow	Dedicated Acreage: 640 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation to be communitized
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) 535
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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the informal contained herein in true and complete to best of my knowledge and belief.

Signature
Ken Beardemphl
Printed Name
Ken Beardemphl
Position
Landman
Company
Yates Petroleum Corporation
Date
3/1/93

SURVEYOR CERTIFICATION

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

Date Surveyed
Signature & Seal of Professional Surveyor
Refer to original plat
Certificate No.

LAND OFFICE		
TRANSPORTER	OIL	
	GAS	
PRODUCTION OFFICE		
OPERATOR		

WELL LOCATION AND ACRE' E DEDICATION PLAT

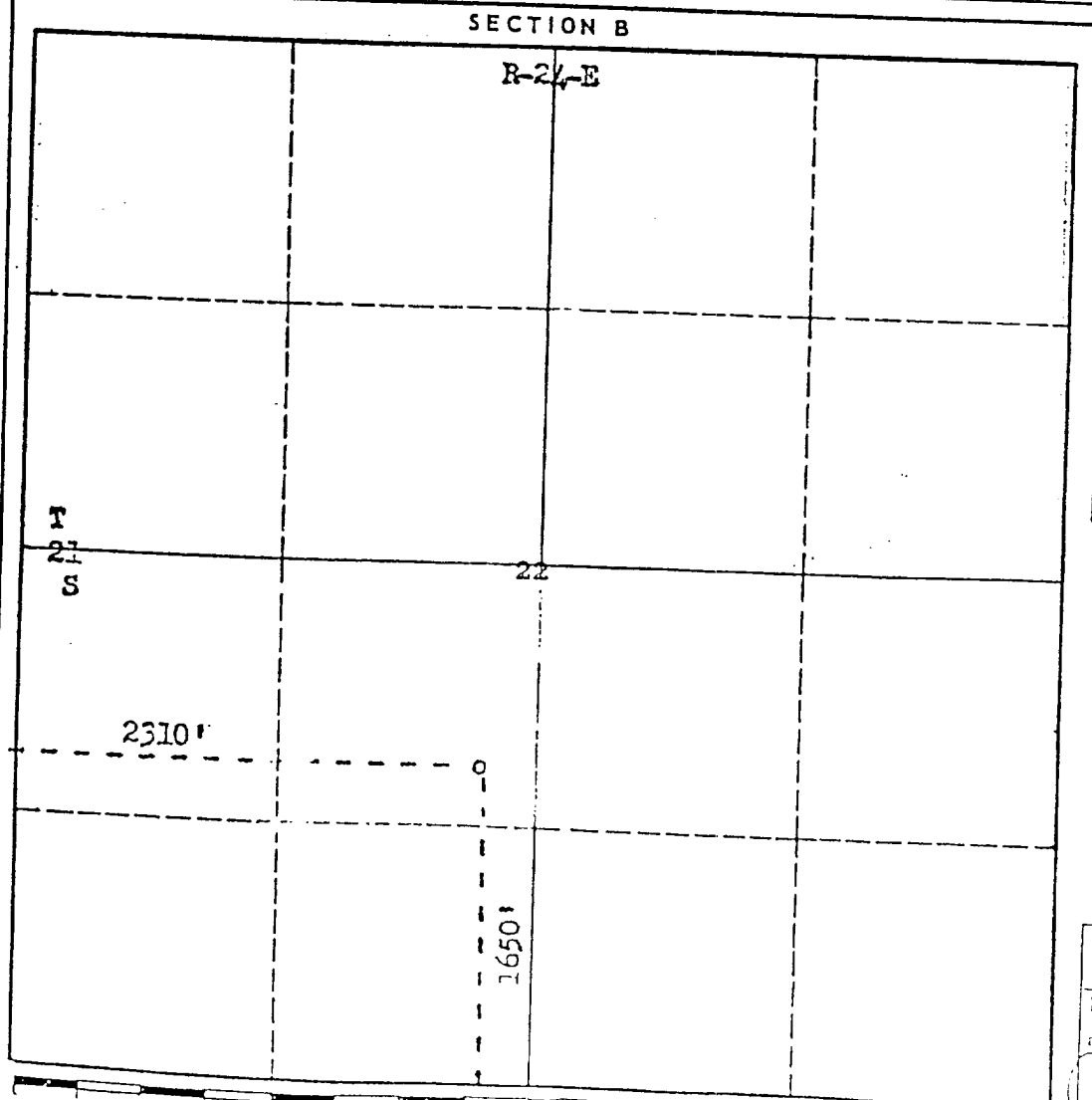
SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

Operator Ralph Lowe				SECTION A		Lease Staple		Well No. 1	
Unit Letter K	Section 22	Township T-21-S	Range R-24-E	County Eddy					
Actual Footage Location of Well: 1650 feet from the South line and 2310 feet from the West line									
Ground Level Elev. 3679	Producing Formation Penn		Pool Indian Hills (Penn)		Dedicated Acreage: 640				

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES X NO ____ . ("Owner" means the who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ____ NO ____ . If answer is "yes," Type of Consolidation ____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

RECEIVED
JUL 25 1963
U. S. GEOLOGICAL SURVEY
ARREST, NEW MEXICO



I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name **C. W. Murray**

Position **Agent**

Company **RALPH LOWE**

Date **July 23, 1963**

I hereby certify that the well location shown on the plat in SECTION B 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 **July 12, 1963**

Registered Professional Engineer and/or Land Surveyor

Certificate No. **512**

YATES PETROLEUM CORPORATION
Lowe Staple "AMR" Federal Com. #2 (Re-Entry)
1650' FSL and 2310' FWL Surface Location
660' FSL and 660' FWL Bottom Hole Location
Section 22-T21S-R24E
Eddy County, New Mexico

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

Grayburg	353'
San Andres	803'
Glorieta	2477'
1 st Bone Spring	3542'
Wolf Camp	6933'
Cisco Canyon	7602'
Strawn	8357'
Atoka	8952'
Morrow	9320'
Lower Morrow	9510'
TD	9900'

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

Water: Casing in Place
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:

<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 3/8"	48#	H-40	In Place	361'
12 1/4"	9 5/8"	36#	J-55	In Place	3163'
8 3/4"	7"	23# & 26#	J-55	9899'	9899'
4 3/4"	Open Hole	-----	-----	9590' MD	9590' MD

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

B. CEMENTING PROGRAM:

All casing strings are set and cemented in place.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-TD	Freshwater	8.4-8.6	28-32	N/C

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: Every 10' out from under casing.
Logging: NDL, DLL, Sonic
Coring: None anticipated.
DST's: As warranted.

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:
No abnormal pressures or temperatures anticipated.

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None.

Maximum Bottom Hole Temperature: 178 F

8. ANTICIPATED STARTING DATE:

Plans are to re-enter and directional this well as soon as possible after receiving approval. It should take approximately 30 days to re-enter this well with completion taking another 14 days.