

N.M. Oil Cons. DIV-Dr 2
1301 W. Grand Avenue
Artesia, NM 88210

C/SF

0046

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMNM-104646
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR HARVEY E. YATES COMPANY		7. UNIT AGREEMENT NAME BIG ENCHILADA 3 FED COM
3. ADDRESS AND TELEPHONE NO. P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601		8. FARM OR LEASE NAME, WELL NO. #1
4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 1,900' FSL & 660' FEL AT PROPOSED PROD. ZONE SAME		9. API WELL NO. 30-015-32182
10. FIELD AND POOL, OR WILDCAT UNDESIGNATED REVELATION MORROW		11. SEC., T., R., M., OR BLK AND SURVEY OR AREA SEC 3, T22S, R25E
12. COUNTY OR PARISH EDDY		13. STATE NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 10 MILES WEST OF CARLSBAD, NM		
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 160	17. NO. OF ACRES ASSIGNED TO THIS WELL 332.72
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WEL. DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A	19. PROPOSED DEPTH 11,200'	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,637'		APPROX. DATE WORK WILL START 01-Dec-01

23. PROPOSED CASING AND CEMENTING PROGRAM				
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	350	425 SX "C" w/ 2% CACL & 1/4# FLOSEAL
12 1/4"	8 5/8" J-55	32# ST&C 8RD	3,400'	350 SX "C" w/ 2% CACL & 1/4# FLOSEAL 800 SX FILLER
7 7/8"	5 1/2" N-80 & S-95	17# LT&C 8RD	11,200'	1100 SX LEAD & 400 SX TAIL
(SEE EXHIBIT "E")				

ALL CASING WILL BE NEW, OR USED MEETING BLM SPECS.
CEMENT WILL BE CIRCULATED ON 13 3/8" AND 8 5/8" CASING.
CEMENT QUANTITIES AND ADDITIVES ARE SUBJECT TO CHANGE DUE TO HOLE CONDITIONS.
* FILLER CEMENT 35/65 "C" POZ w/ 6% GEL, 5# SALT, & 1/4# FLOSEAL
** LEAD: 1100 SX "H" POZ w/ 2% GEL & 5# SALT PER SACK
TAIL: 500 SX "H" w/ 3% KCL, .5% FLUID LOSS, .3% DISPERSANT, 1% BONDING AGENT, .3% RETARDER, & 2% SODIUM METASILICATE PER SACK

Fresh Water to 1700' (OCD) PROPOSED MUD PROGRAM	
0-350	FRESH WATER w/ PAPER & EZ MUD. MW 9.0-9.6 VIS 36-40
350-3,100'	FRESH WATER w/ PAPER & EZ MUD. MW 10.0-10.4 VIS 29-31
3,100'-7,900'	FRESH WATER w/ PAPER, EZ MUD, & AMMONIA NITRATE. 18-20,000 CHLORIDES. MW 8.6-8.8 VIS-29
7,900'-11,200'	MUD UP WITH BARAZAN D & DEXTRID, 60-80,000 CHLORIDES MW 9.8-10.1 VIS 34-36

MUD PROGRAM SUBJECT TO CHANGE DUE TO HOLE CONDITIONS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED <u>Bob Williams</u>	Bob Williams	TITLE <u>Drilling Superintendent</u>	DATE <u>10/08/2001</u>
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(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

PERMIT NO	APPROVAL DATE
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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:

APPROVED BY <u>/s/ LESLIE A THEISS</u>	TITLE <u>FIELD MANAGER</u>	DATE <u>JAN 25 2002</u>
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TITLE 18 U.S.C. SECTION 1001, MAKES IT A CRIME FOR ANY PERSONS 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

APPROVAL FOR 1 YEAR

Controlled Water Body

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

RECEIVED

2001 OCT -9 AM 8:47

SUPPLEMENTAL POST OFFICE

100

Application
Harvey E. Yates Company
Big Enchilada 3 Fed Com #1
Section 3, T22S, R25E
Eddy County, New Mexico

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 alluvium and bolson deposits.

2. Estimated Tops of Significant Geologic Markers:

Yates	385	San Andres	1,915	Penn Shale	9,000
Seven Rivers	600	Deleware	2,200	Strawn	9,550
Bowers	960	BSPG	4,425	Atoka	9,900
Queen	1,175	BSPG 1st Sand	5,500	Morrow Class.	10,535
Penrose	1,350	BSPG 2nd Sand	6,175	Lwr Morrow Mkr	10,875
Grayburg	1,590	BSPG 3rd Sand	7,700	Barnett (MSSP)	11,100
Premier	1,890	Wolfcamp	8,025		

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

Oil: 5,500

Gas: 5,500

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 hole.

Due to no pressured formations from base of surface to TD of 12 1/4" hole @ 3,100', we propose to:

1. Use a 3,000 psi BOP with one set of pipe rams and one set of blind rams.
2. Test the 13 3/8" casing and BOP stack to 1,000 psi with rig pump prior to drilling 13 3/8" casing shoe.
3. Change pipe rams to 8 5/8" rams prior to running 8 5/8" casing.

Request for variance on BOP Choke Manifold for drilling 7 7/8" production hole.

Due to the mud weight, we propose to:

Use 2 manual chokes on manifold rather than 1 manual and 1 remote.

6. Drilling Fluid Program:

See Form 3160-3

7. Auxiliary Equipment:

H2S Compliance Package.

8. Testing, Logging, and Coring Program:

One possible DST is planned for the Wolfcamp, Cisco or Atoka.

The planned log is Schlumberger's Platform Express w/HALS

9. Abnormal Conditions, Pressures, Temperature, or Potential Hazards:

No abnormal conditions are anticipated in this wellbore

BHST 170° F

BHP 2,000 psi

10. Anticipated Starting Date & Duration of Operation:

Spud Date: Approximately December 1, 2001. Duration of this project will be approximately 50 days from start of construction of drilling pad until finish of completion operations.

Surface Use Plan
Harvey E. Yates Company
Big Enchilada 3 Fed Com #1
Section 3, T22S, R25E
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 10 miles West of Carlsbad, NM. Leave Carlsbad on Jones Street. Go 5.5 miles & turn right. Go .5 miles to Yates Pet Whopper well. Turn Northwest & go .4 miles to location

2 Planned Access Roads:

Approximately 1,700' 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 rocky

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 grazing Lessee is Harold West, and he have been contacted regarding operations.
- b. The topography consists of rocky 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.

10/07/01



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 Company
Street or Box: P.O. Box 1933
City, State: Roswell, New Mexico
Zip 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.: NMNM-104646

Lease Name: Big Enchilada 3 Fed Com #1

Legal description of land: Sec 3, T22S, R25E, 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: Bob Williams

Title: Drilling Superintendent

Date: Oct 7, 2001

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87604-2088

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
		83760	Undesignated Revelation Morrow
Property Code	Property Name		Well Number
	BIG ENCHILADA 3 FEDERAL COM		1
OGRIID No.	Operator Name		Elevation
010170	HARVEY E. YATES COMPANY		3637'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	22-S	25--E		1900	SOUTH	660	EAST	EDDY

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
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

LOT 4	LOT 3	LOT 2	LOT 1
		NMSPC EZ 1983 Y = 516013.0 X = 527592.1 NAD 83 LAT. 32°25'06.88"N LONG. 104°22'40.36"	
NMNM-106903	NMNM-104646		

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Bob Williams
Signature

Bob Williams
Printed Name

Drilling Superintendent
Title

October 8, 2001
Date

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

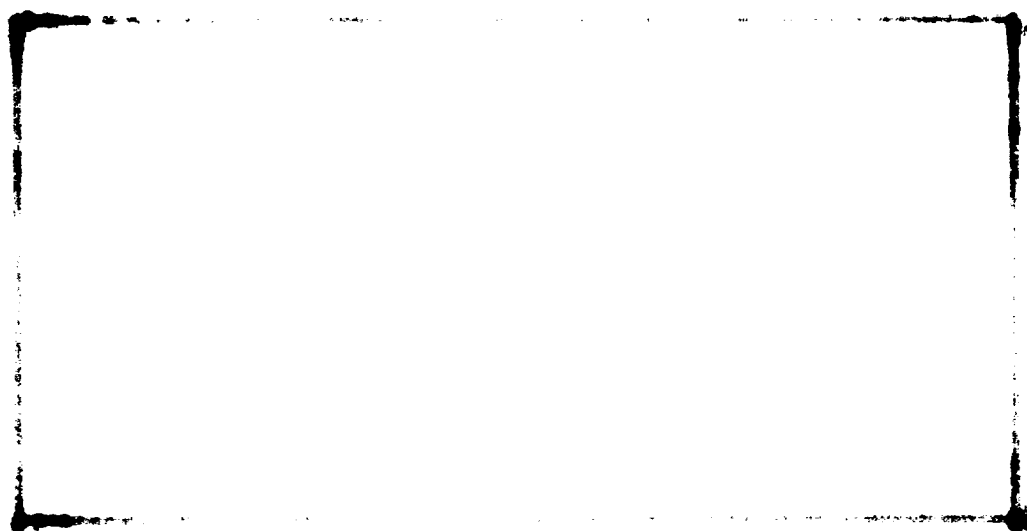
OCTOBER 1, 2001

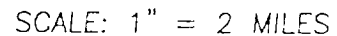
Date Surveyed _____ AWB

Signature & Seal of Professional Surveyor

Ronald J. Eidson 10/05/01
01.11.1081

Certificate No. **RONALD J. EIDSON 3239**
GARY EIDSON 12641

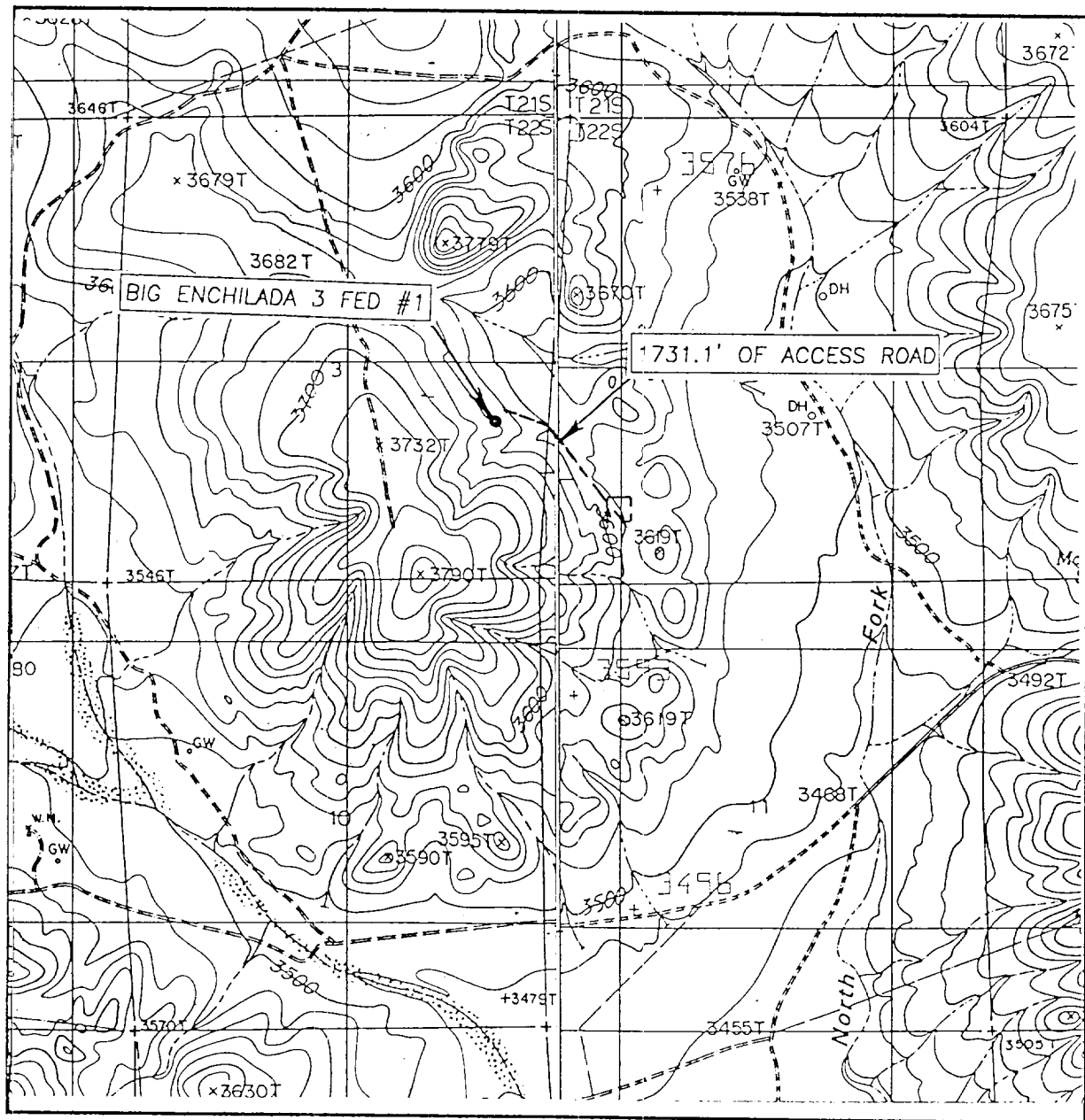




LEASE BIG ENCHILADA 3 FEDERAL.

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'
AZOTEA PEAK, N.M.

SEC. 3 TWP. 22-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1900' FSL & 660' FEL

ELEVATION 3637'

OPERATOR HARVEY E. YATES COMPANY

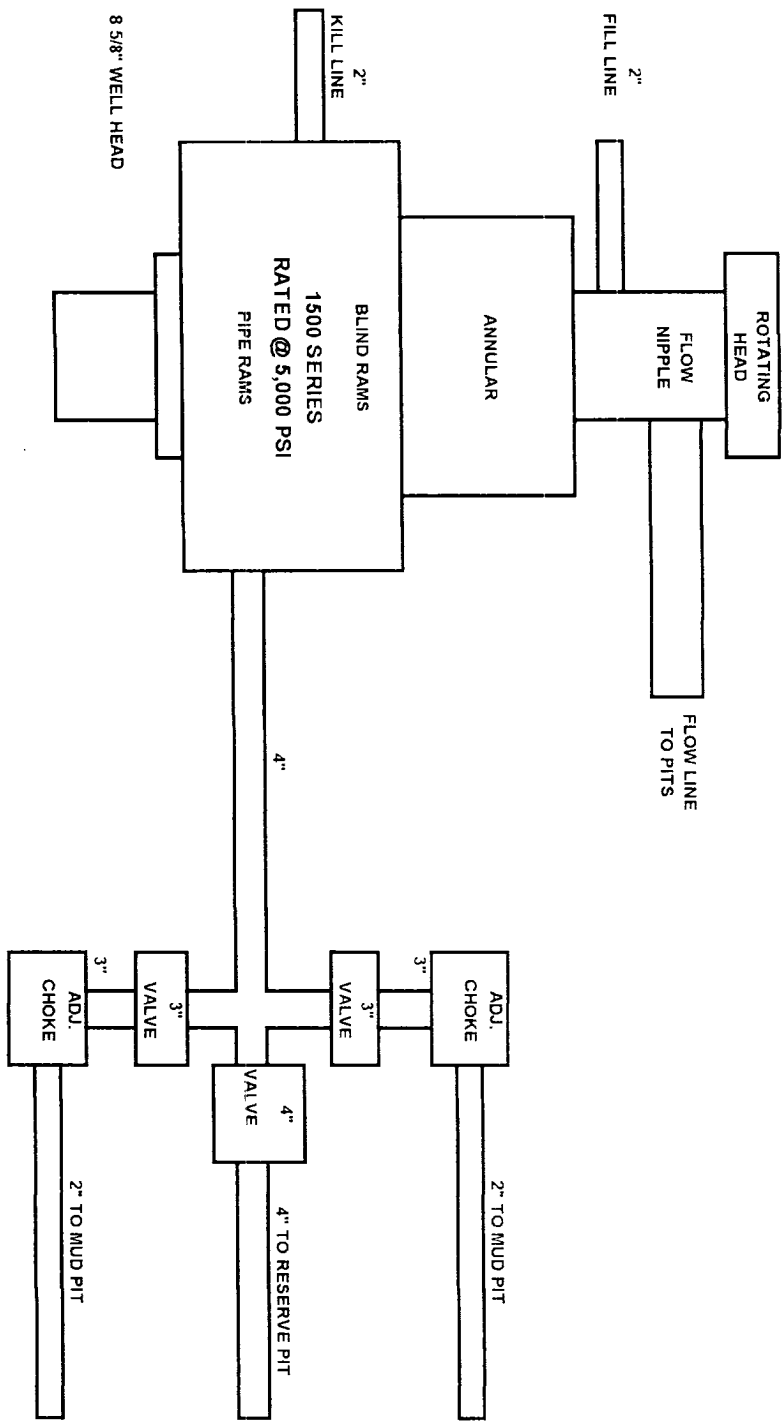
LEASE BIG ENCHILADA 3 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

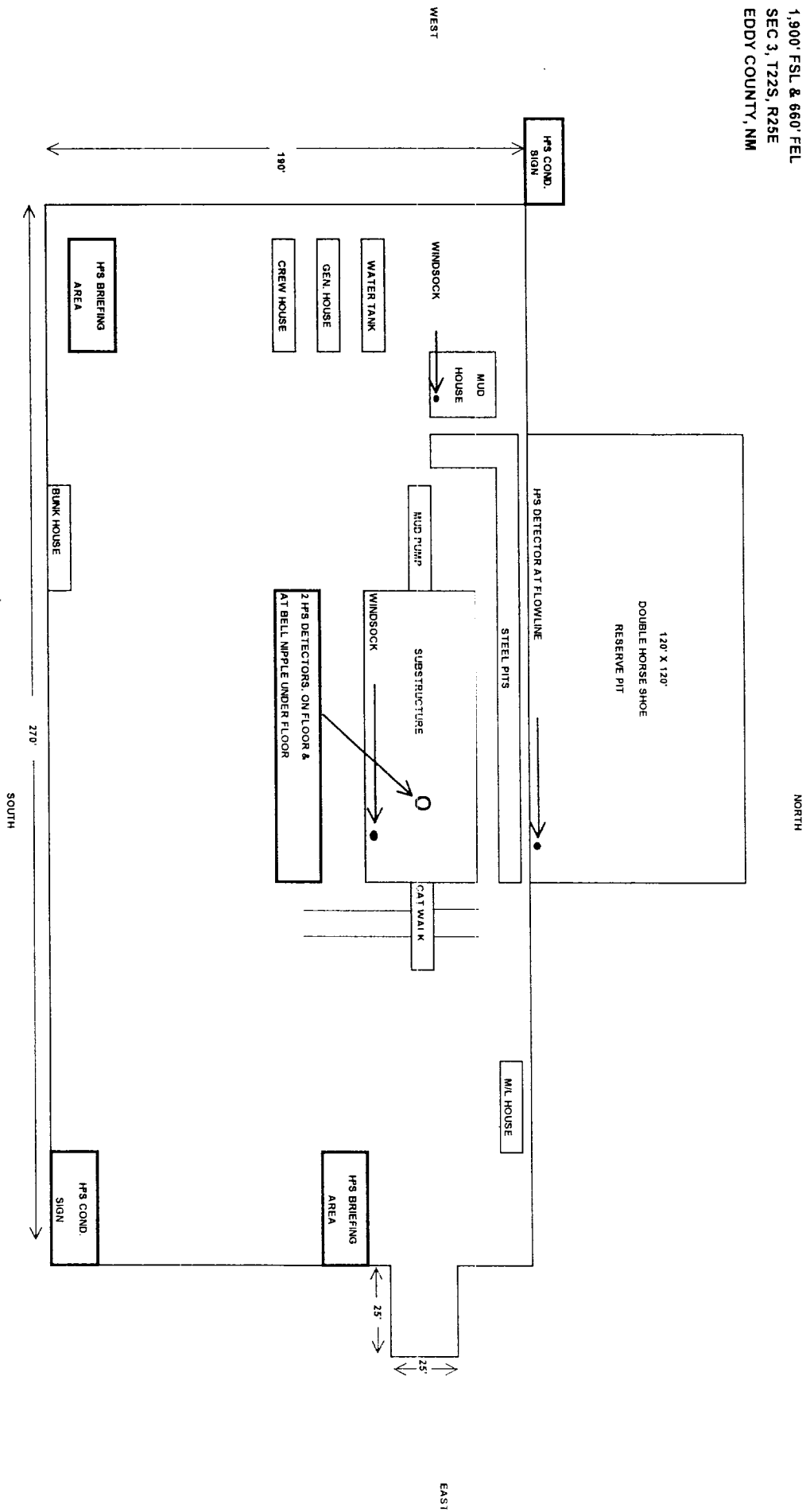
AZOTEA PEAK, N.M.

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

EXHIBIT C BOP STACK
BIG ENCHILADA 3 FED COM #1
1,900' FSL & 660' FEL
SEC 3, T22S, R25E
EDDY COUNTY, NM



**BIG ENCHILADA 3 FED COM #1
1,900' FSL & 660' FEL
SEC 3, T22S, R25E
EDDY COUNTY, NM**



DESIGN

D COM #1

