

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

ARTESIA, NM 88210  
DRAWER 100  
PLICATE\*  
(Other inst. on file)

Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>PLUG BACK</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-77021
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME -
2. NAME OF OPERATOR Yates Petroleum Corporation			7. UNIT AGREEMENT NAME Corral Federal Unit
3. ADDRESS OF OPERATOR 105 South Fourth Street, Artesia, New Mexico 88210			8. FARM OR LEASE NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FSL & 660' FEL At proposed prod. zone Same			9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 18 miles South and East of Malaga, New Mexico			10. FIELD AND POOL, OR WILDCAT Wildcat Delaware
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)	16. NO. OF ACRES IN LEASE 2,160'	17. NO. OF ACRES ASSIGNED TO THIS WELL 2,160'	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA I Sec. 33-T25S-R29E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 6,950'	20. ROTARY OR CABLE TOOLS Rotary	12. COUNTY OR PARISH Eddy
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 2,977' GR		13. STATE NM	
22. APPROX. DATE WORK WILL START* ASAP			

23. PROPOSED CASING AND CEMENTING PROGRAM					Cemented Controlled Well
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
17 1/2"	13 3/8"	54.50 # J-55	450'	475 sacks - Circulated	
11"	8 5/8"	32# J-55	2850'	900 sacks - Circulated	
7 7/8"	5 1/2"	15.50# J-55	TD	675 sacks - Tie Back to 8 5/8"	

Yates Petroleum Corporation proposes to drill the Delaware and intermediate formations. Approximately 450' of surface casing will be set and cement circulated. Approximately 2,850' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cement with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW/Gel to 450'; Brine to 450-2850; Cut Brine to 2850-TD

BOPE PROGRAM: BOPE will be installed on the 13 3/8" casing and tested daily for operational.

General Requirements  
Special Stipulations  
Approved

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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>Cliff R. May</u>		TITLE <u>Permit Agent</u>	DATE <u>4/20/93</u>
(This space for Federal or State office use)			
PERMIT NO. _____	APPROVAL DATE _____		
APPROVED BY <u>Ron Dunton</u>	TITLE <u>AREA MANAGER</u>	DATE <u>JUL 1 - 1993</u>	
CONDITIONS OF APPROVAL, IF ANY:			

\*See Instructions On Reverse Side

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

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

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

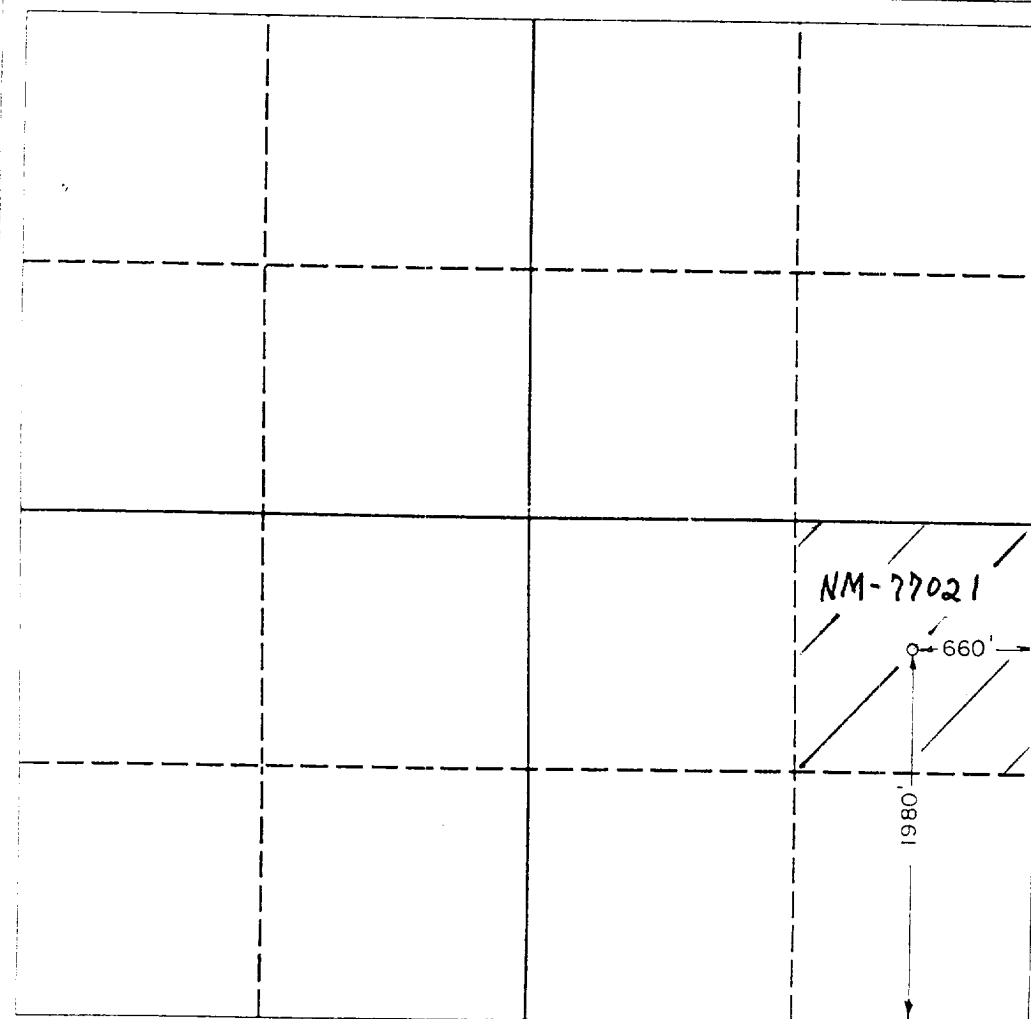
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>CORRAL FEDERAL UNIT</b>		Well No. <b>1</b>
Unit Letter <b>I</b>	Section <b>33</b>	Township <b>25 SOUTH</b>	Range <b>29 EAST</b>	County <b>NMPM</b>	<b>EDDY</b>
Actual Footage Location of Well:					
1980 feet from the <b>SOUTH</b> line and		660 feet from the <b>EAST</b> line			
Ground level Elev. <b>2977</b>	Producing Formation <b>DELANARE</b>		Pool <b>WILDCAT DELAWARE</b>	Dedicated Acreage: <b>40</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 UNITIZATION**  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature <i>Clifton R. May</i>
Printed Name <b>Clifton R. May</b>
Position <b>Permit Agent</b>
Company <b>Yates Petroleum Corporation</b>
Date <b>4/20/93</b>

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 knowledge and belief.

Date Surveyed <b>4/07/93</b>
Signature & Seal of Professional Surveyor <i>[Signature]</i>
Certificate No. <b>3640</b>

**YATES PETROLEUM CORPORATION  
CORRAL FEDERAL UNIT #1  
1980' FSL AND 660' FEL  
Sec. 33-T25S-R29E  
Eddy County, New Mexico**

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

Top of Salt	531
Base of Salt	2,730
Bell Canyon	3,030
Cherry Canyon	3,999
Brushy Canyon	5,736
Bone Springs	6,831
TD	6,950

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

Water: 150' - 200'  
Oil or Gas: 5,736' & 6,831'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 3M 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, 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 SiOO</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	54.50#	J55	8R	ST&C	0-450'	450''
11"	8 5/8"	32#	J55	8R	ST&C	0-2850'	2850'
7 7/8"	5 1/2"	15.50#	J55	8R	LT&C	0-6950'	6950'

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

## Corral Federal Unit #1

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#### B. CEMENTING PROGRAM:

Surface casing: 475 sx. Class "C"; w/ 2% Caclz. (wt. 14.8 ppg. Yield 1.84 ft<sup>3</sup>)  
Cement calculated to circulate to surface.

Intermediate Casing: 650 sx. Pacesetter Lite "C" w/ 1/4 # Cellocel + 3% Caclz. (wt. 12.7 ppg. Yield 1.84 ft<sup>3</sup>) + 250 sx. Class "C" w/2% Caclz. (wt. 14.8 ppg. Yield 1.32 ft<sup>3</sup>). Cement calculated to circulate to surface.

Production Casing: 1st Stage: 175 sx. "H" w/8 # sack CSE, + 0.6% CF-14 + 5# Sack Gilsonite (wt. 13.6 ppg. Yield 1.76 ft<sup>3</sup>) Cement calculated to 6000' DV Tool set at approximately 6000 ft.

2nd Stage: 500 sacks "C" w/ 5 # sack Gilsonite, 1/4 # sack Cellocel 8 # CSE, + 0.5% CF-14. (wt. 14.2 ppg. Yield 1.6 ft<sup>3</sup>) Cement calculated to tie back to intermediate casing 100'.

#### 5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-450	FW Gel/LCM	8.4-8.9	32-36	N/C
450-2850	Brine	10.0	28	N/C
2850-6950	Cut Brine	8.9-9.3	28	<15cc

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' from surface casing to TD.

Logging: CNL-LTD from TD to casing with GR-CNL up to surface; DLL from TD to casing.

Coring: None Anticipated.

DST's: Any tests will be based on the recommendations of the well site geologist as warranted by breaks and shows.

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

Anticipated BHP:

From: 0	TO: 450	Anticipated Max. BHP:	165	PSI
From: 450	TO: 2850	Anticipated Max. BHP:	1037	PSI
From: 2850	TO: 6950	Anticipated Max. BHP:	2500	PSI

**CORRAL FEDERAL UNIT #1**  
**PAGE 3**

7. Continued

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 125 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 15 days to drill the well with completion taking another 20 days.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Yates Petroleum Corporation  
CORRAL FEDERAL UNTI #1  
1980' FSL AND 660' FEL  
Sec. 33-T25S-R29E  
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 18 miles south and east of Malaga, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

**DIRECTIONS:** Go to Malaga , New Mexico, on Highway 285. Go south for approximately 12.3 miles to county road 725 (Whitehorn Road) and turn east. Go east for approximately 4 miles and turn left (NE) on pipeline road. Go approximately 2 miles and turn left for approximately .25 of a mile. Turn left (west) for approximately .2 of a mile to where the location will be.

### **2. PLANNED ACCESS ROAD**

- A. None - Existing road to location. Existing roads will be maintained in the same or better condition.
- B. An off unit road Right-of-Way is being applied for in this APD in Section 4, 5 & 8 -T26S-R29E. See Exhibit A.

### **3. LOCATION OF EXISTING WELL**

- A. There is 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:

We plan to get caliche for pad on the wellsite.

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 Administered by the BLM
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:  |
| Clifton R. May, Permit Agent<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>Phone (505) 748-1471 | Mike Slater, Operations Manager<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>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.

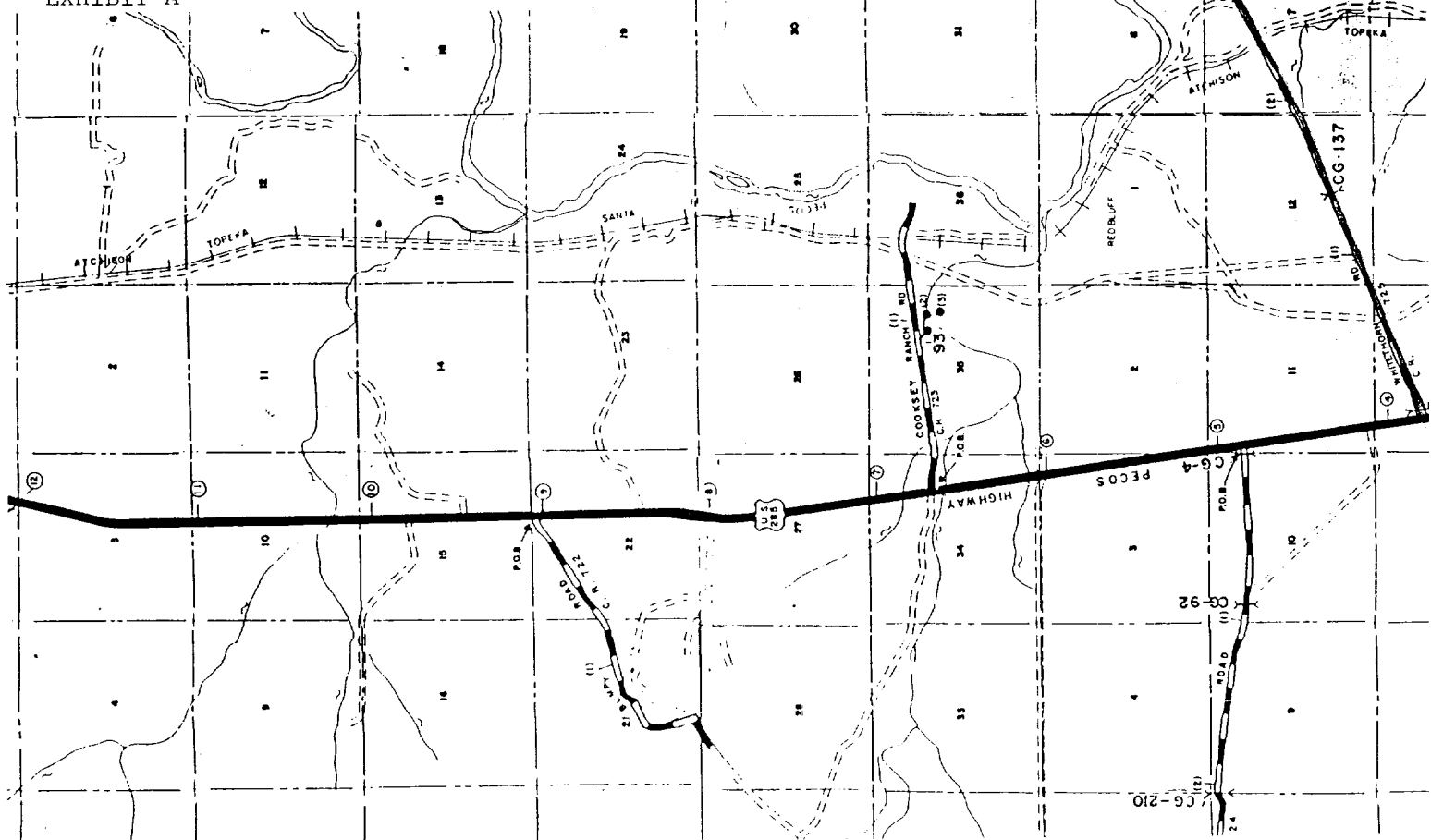
4-20-93

  
Permit Agent

**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

CORRAL FEDERAL UNIT #1  
1980' FSL & 660' FEL  
Section 33-T25S-R29E  
Eddy County, New Mexico

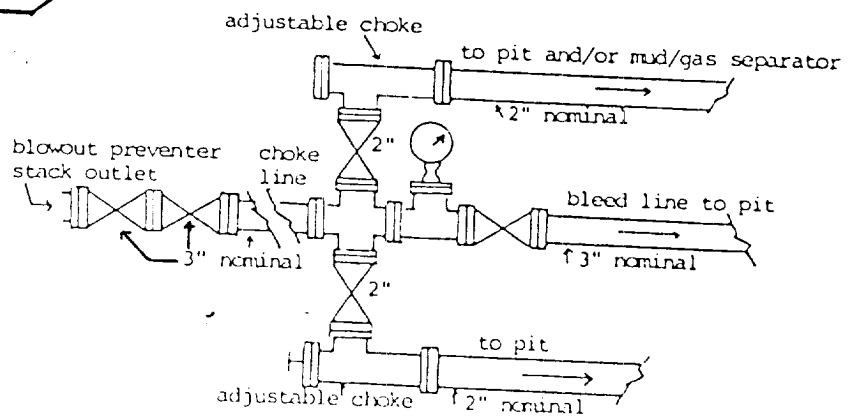
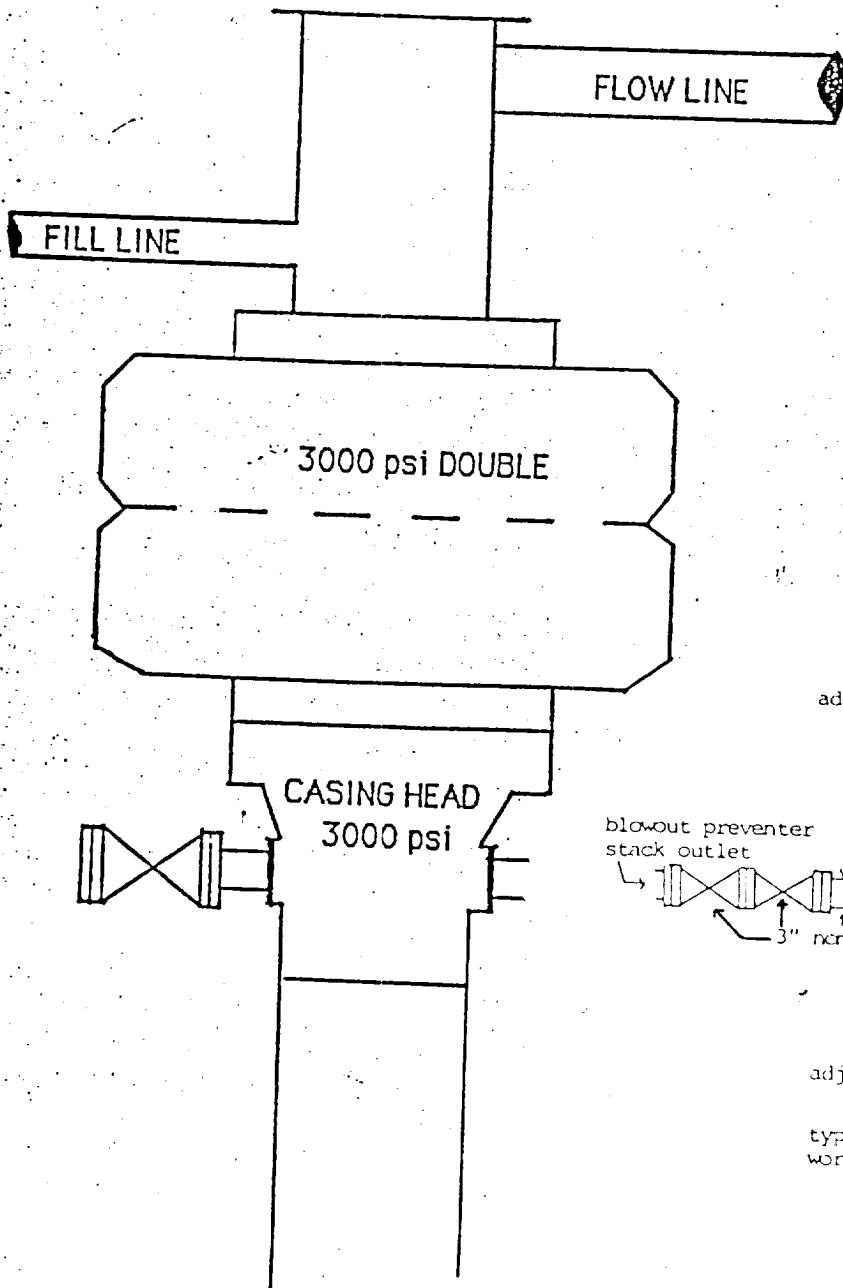
**EXHIBIT A**





# YATES PETROLEUM CORPORATION

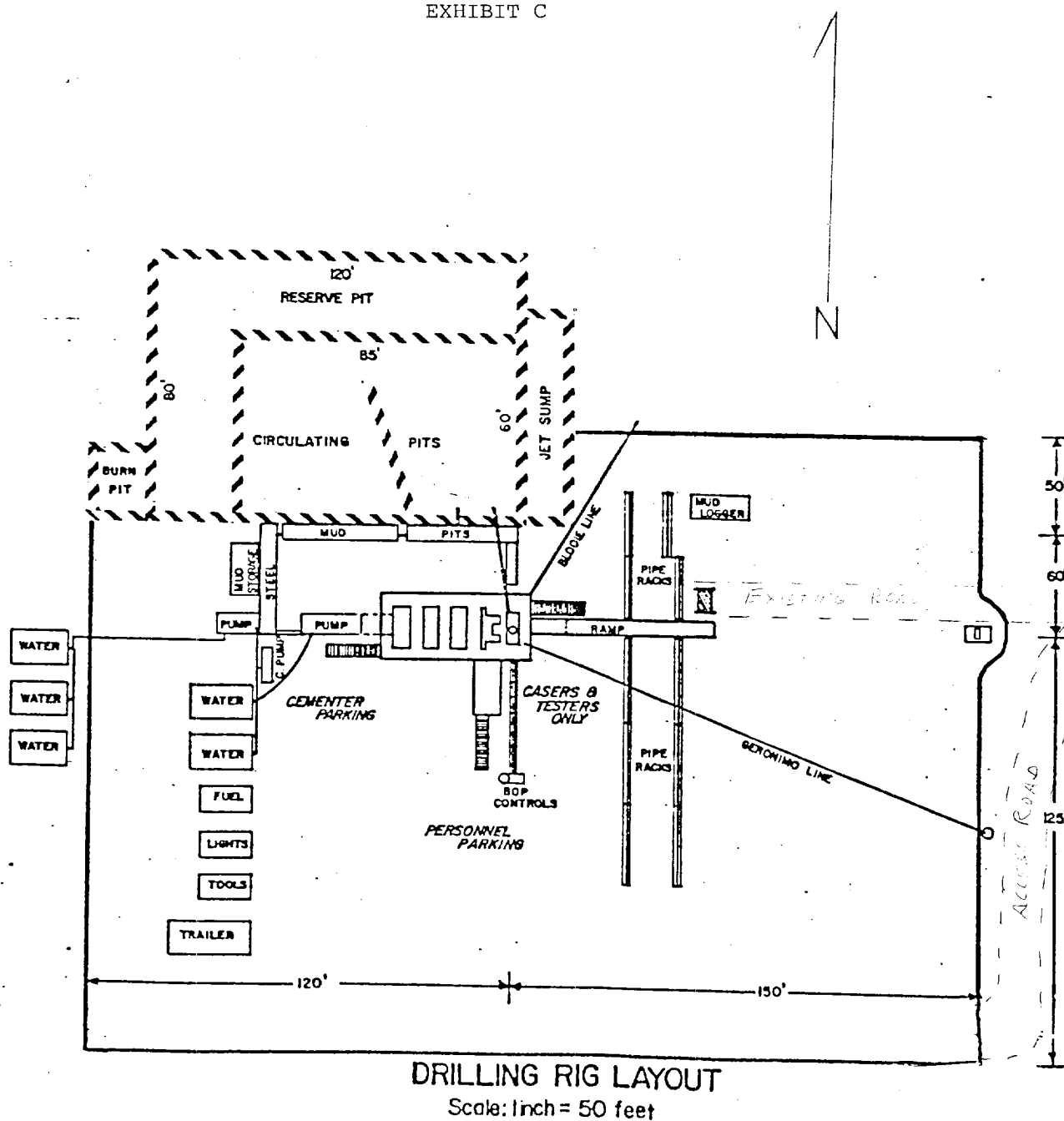
EXHIBIT B



typical choke manifold assembly for 3M rated  
working pressure service-surface installation

**BLOWOUT PREVENTER  
3M SYSTEM**

## EXHIBIT C



**Yates Petroleum Corporation**  
**105 SOUTH 4th STREET**  
**ARTESIA, NEW MEXICO 88210**

**CORRAL FEDERAL UNIT #1**  
**1980' FSL & 660' FEL**  
**Section 33-T25S-R29E**  
**Eddy County, New Mexico**

**EXHIBIT D**

