

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator

Yates Petroleum Corporation

3A. Address 105 South Fourth Street
Artesia, New Mexico 88210

3b. Phone No. (include area code)
(505) 748-1471

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 330' FSL and 2310' FWL
At proposed prod. Zone Same

14. Distance in miles and direction from nearest town or post office*

Approximately 24 miles northeast of Loving, New Mexico.

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

330'

16. No. of Acres in lease

640

17. Spacing Unit dedicated to this well

40 SE/4SW/4

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

1300'

19. Proposed Depth

8200'

20. BLM/BIA Bond No. on file

585997

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3459'

22. Approximate date work will start*

ASAP

23. Estimated duration

35 days

R-111-P Potash

Secretary's Potash

24. Attachments

Carlsbad Controlled Water Basin

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.
2. A Drilling Plan.
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).

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

25. Signature

Cy Cowan

Name (Printed/Typed)

Cy Cowan

Date

5/16/01

Title:

Regulatory Agent

Approved by (Signature)

(ORIG. SGN.) M. J. CHAVEZ

Name (Printed/Typed)

(ORIG. SGN.) M. J. CHAVEZ

Date

JUL 03 2001

Title

STATE DIRECTOR

Office

NM STATE OFFICE

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.

APPROVAL FOR 1 YEAR

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)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

RECEIVED
MAY 17 2001
BLM
NEW MEXICO STATE
GEORGE W. WELLS, NM

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

Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1969
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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	
			Wildcat Delaware	
Property Code	Property Name		Well Number	
	ADELINE "ALN" FEDERAL		14	
OGRID No.	Operator Name		Elevation	
025575	YATES PETROLEUM CORPORATION		3459	

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	6	24S	31E		330	SOUTH	2310	WEST	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
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

**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**

	<div style="border: 1px solid black; padding: 5px;"> <p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p align="right"><i>Cy Cowan</i></p> <p>_____ Signature</p> <p>_____ Cy Cowan Printed Name</p> <p>_____ Regulatory Agent Title</p> <p>_____ 5-16-01 Date</p> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p align="right">3/28/2001</p> <p>Date Surveyed</p> <p>_____ Signature & Seal of Professional Surveyor</p> <div style="text-align: center;"> </div> <p>Certificate No. Herschel Jones RLS 3640</p> <p align="center">ABE LINE 14</p> <p align="center">GENERAL SURVEYING COMPANY</p> </div>
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YATES PETROLEUM CORPORATION
Adeline "ALN" Federal #14
330' FSL & 2310' FWL
Sec. 6-T24S-R31-E
Eddy County, New Mexico

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

Rustler	580'
Top of Salt	950'
Base of Salt	3950'
Bell Canyon	4178'
Cherry Canyon	5200'
Brushy Canyon	6840'
Bone Spring Lime	8050'
TD	8200'

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

Water: Approx 150'
Oil or Gas: Canyon 5182' and Bone Spring 8032'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" 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)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H-40	ST&C	0-750'	750'
11"	8 5/8"	32#	J-55	ST&C	0-4100'	4100'
7 7/8"	5 1/2"	17#	J-55	LT&C	0-100'	100'
7 7/8"	5 1/2"	17 1/2#	L-80	LT&C	100'-6900'	6800'
7 7/8"	5 1/2"	17#	J-55	LT&C	6900'-8200'	1300'

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

B. CEMENTING PROGRAM:

Surface casing: 250 sx Lite (YLD 1.96 WT.12.5) Tail in w/ 200 sx Class "C" + 2% CaCl₂ (YLD 1.34 WT 14.8).

Intermediate Casing: 1150 sx Lite (YLD 2.5 WT 11.9); Tail in w/ 250 sx "C" w/ 2% CaCl₂ (YLD 1.34 WT. 14.8)

Production Casing: (TOC=3700') Stage I; 250 sx Super "H" (YLD 1.67 WT. 13.0).
Stage II: Lead w/200 sx Lite (YLD 2.0 WT 12.0) Tail in w/ 200 sx Super "H" (Yld 1.67 Wt 13.0). DV tool at 6500'.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-750'	FW/Native Mud	8.6-9.2	28-36	N/C
750'-4100'	Brine	10.0-10.2	28	N/C
4100'-6500'	Cut Brine	8.6-9.1	28	N/C
6500'-8200'	Cut Brine/Starch	8.6-9.1	28-32	<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: 10 samples out from under surface casing.

Logging: CNL/LDT TD to casing; GR w/CNL to Surface; DLL x/RXO TD to casing.

Coring: None Anticipated.

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 750'	Anticipated Max.	BHP: 300	PSI
From: 750'	TO: 4100'	Anticipated Max.	BHP: 1790	PSI
From: 4100'	TO: 8200'	Anticipated Max.	BHP: 4740	PSI

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 198 F

8. ANTICIPATED STARTING DATE:

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

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Adeline "ALN" Federal #14

330' FSL & 2310' FWL

Sec. 6-T24S-R31-E

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 24 miles northwest of Loving, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east of Carlsbad on Highway 285 to Highway 31. Go east on Highway 31 to Highway 128 (Jal Highway). Go approximately 12 miles to County Road 787 (Twin Wells Road). Turn South and go approximately 4 miles. The new road will start here going west to the well location.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 0.2 of a mile in length from the point of origin to the northeast corner of the drilling pad. The road will lie in an east to west direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Traffic turnouts may be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

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 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 fresh 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:

Dirt contractor will locate closest pit and obtain any permits and materials needed for construction.

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: Amend the surface use plan to include the following, one 3" SDR Poly surface flow line from this well. Flow line will follow access road to pipeline ROW. NM-94388 then north. One (1) three phase 640 volt raptor proof power line from this well to the Adeline ALN Federal Com. #15 to follow access road due east.

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 and will face to the north.
- 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 Bureau of Land Management, Carlsbad, New Mexico.

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:

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

B. Through Drilling Operations,
Completions and Production:

Pinson McWhorter, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

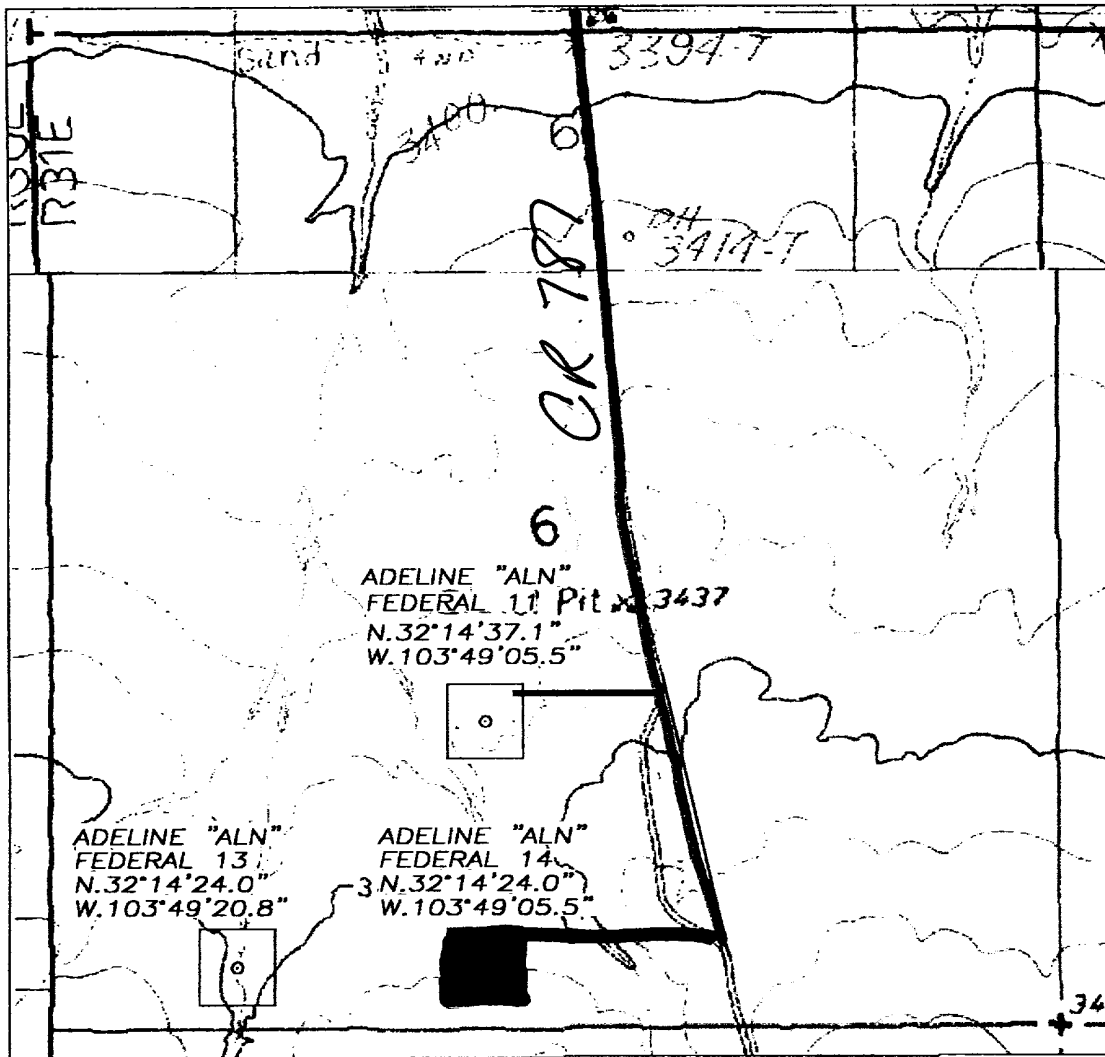
14. CERTIFICATION:

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.

5/14/01


Regulatory Agent

SECTION 6, TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



Yates Petroleum Corporation
 Adeline ALN Federal #14
 330' FSL and 2310' FWL
 Section 6-T24S-R31E
 Eddy County, New Mexico
 NM-82904
 Exhibit A

1000' 0 1000' 2000'
 Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

8640
 MICHAEL L. JONES, L.S. No. 3640

GENERAL SURVEYING COMPANY P.O. BOX 1928
 LOVINGTON, NEW MEXICO 88260

YATES PETROLEUM CORP.

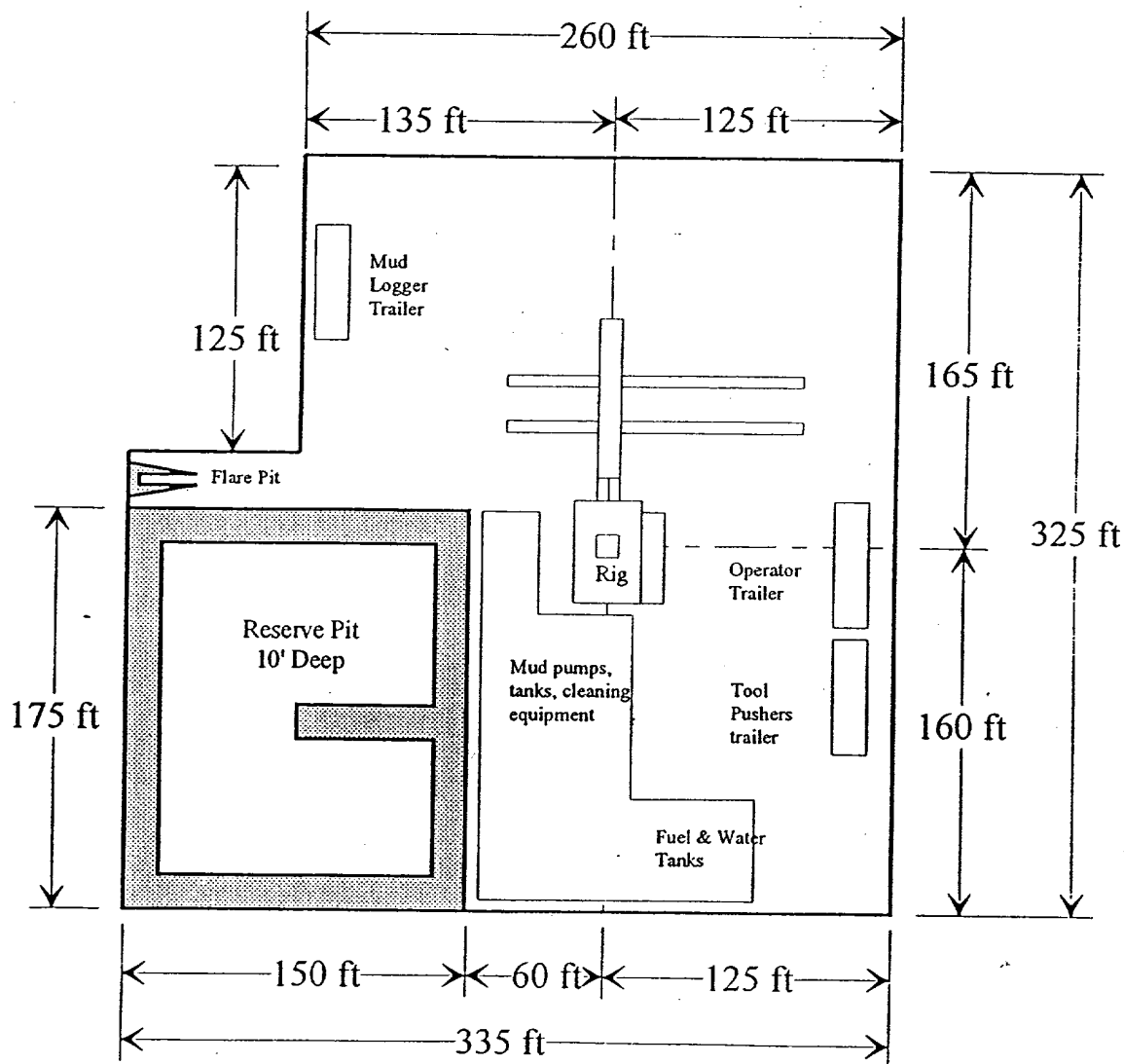
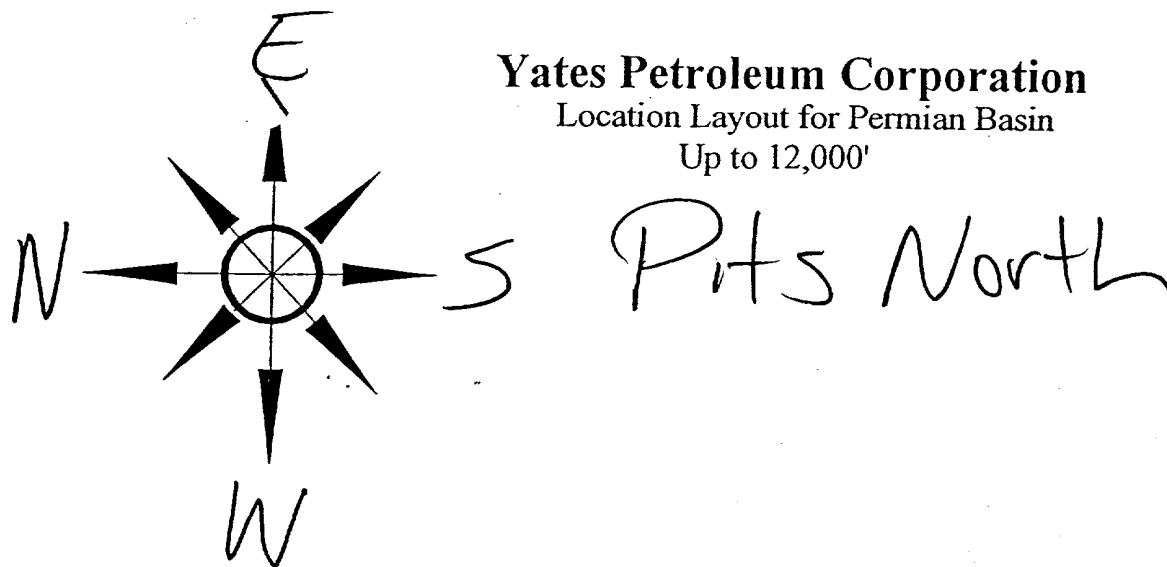
LEASE ROAD TO ACCESS THE YATES ADELINE "ALN" FEDERAL #11, 13, & 14 WELLS LOCATED IN SECTION 6, TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 3/28/2001	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 3/31/01	Scale 1" = 1000' ADELINE

Yates Petroleum Corporation

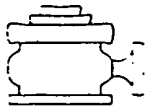
Location Layout for Permian Basin

Up to 12,000'



Distance from Well Head to Reserve Pit will vary between rigs

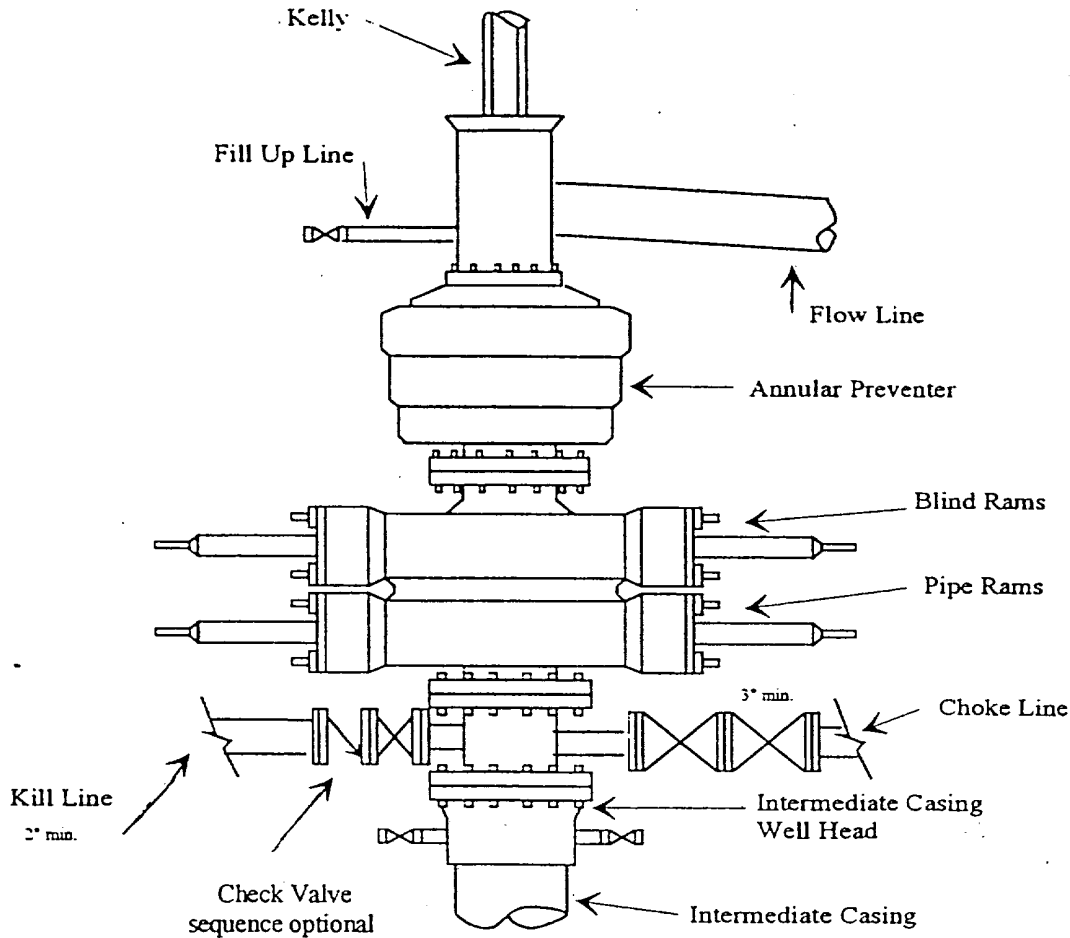
The above dimension should be a maximum



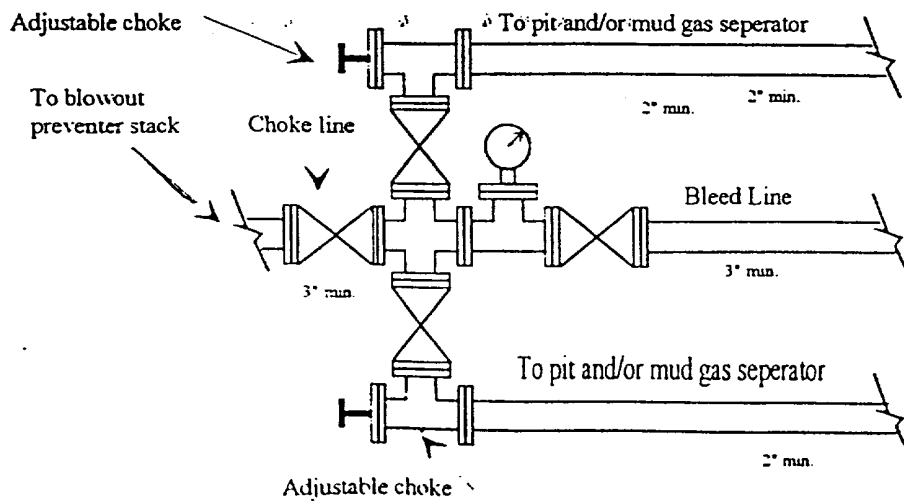
Yates Petroleum Corporation

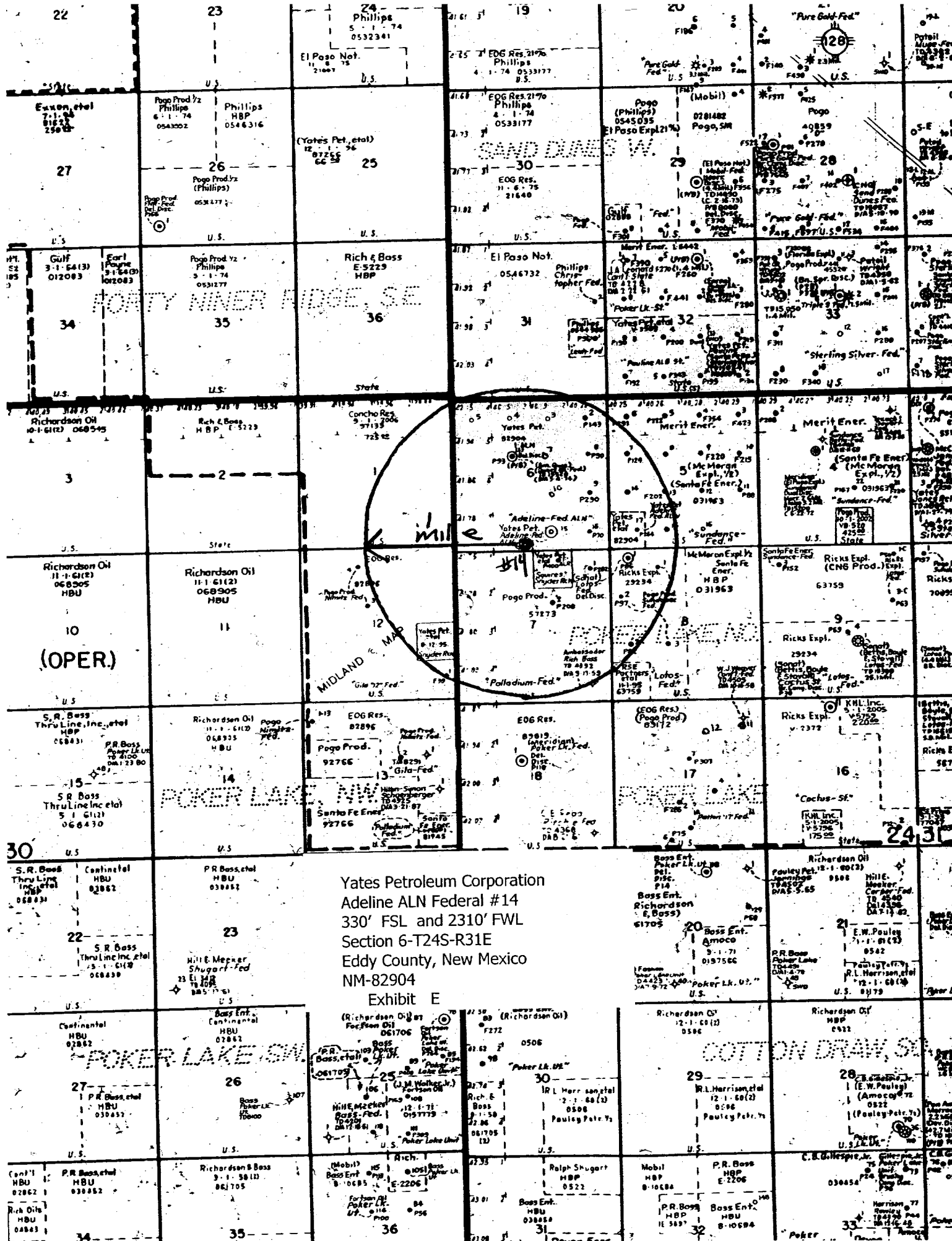
Typical 3,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack

Yates Petroleum Corporation
Adeline ALN Federal #14
330' FSL and 2310' FWL
Section 6-T24S-R31E
Eddy County, New Mexico
NM-82904
B
Exhibit D



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





Yates Petroleum Corporation
Adeline ALN Federal #14
330' FSL and 2310' FWL
Section 6-T24S-R31E
Eddy County, New Mexico
NM-82904

Exhibit E

—X— Power Line (NEW) Squires #1
 —X— " (Existing)
 ——— Water Line (NEW)
 ——— " " (Existing)

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Power for the Adeline #11 is to come from the existing powerline on the Adeline #10.
Power for the #13 and #14 will come from the existing powerline on the Adeline #15.

The flowlines for these three (3) wells will parallel the access roads going east to and existing waterline (NM-94388) that runs between the Squires #1 and the Adeline ALN Federal #1

**GENERAL
LOVING**

2000^o

ORP.

DATE
PAGE
31

1 Sheet

ADELINE