

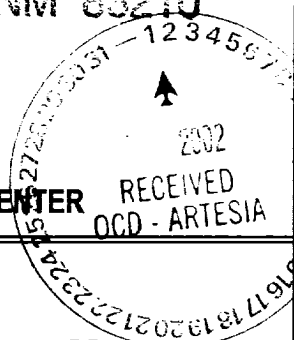
N.M. Oil Cons. Div-Dist  
1301 W. Grand Avenue  
Artesia, NM 88210

CLSK

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER



OMB No. 1004-0136  
Expires November 30, 2000

1a. Type of Work: ☒ DRILL ☐ REENTER

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

2. Name of Operator

Yates Drilling Company Undes. Corral Canyon Bone Spring, South

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 2310' FSL and 2310' FWL  
At proposed prod. Zone same as above

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

Approximately 35 miles southwest of Carlsbad, New Mexico

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

2310'

16. No. of Acres in lease

401.80

17. Spacing Unit dedicated to this well

40 acres NE/4SW/4

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

2000'

19. Proposed Depth  
7500'

20. BLM/BIA Bond No. on file

586000

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

3113' GL

22. Approximate date work will start\*

ASAP

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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- 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

10/11/01

Title:

Regulatory Agent

Approved by (Signature)

/s/ LESLIE A. THEISS

Name (Printed/Typed)

/s/ LESLIE A. THEISS

Date

JAN 30 2002

Title

FIELD MANAGER

Office

CARLSBAD FIELD 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)

See attached for  
Conditions of approval

ATTACHED TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

RECEIVED

2001 OCT 12 PM 2:09

BUREAU OF LAND MGMT  
PORTWELL OFFICE

**DISTRICT II**  
811 South First, Artesia, NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Astec, NM 87410

**DISTRICT IV**  
**2040 South Pacheco, Santa Fe, NM 87505**

**Energy, Minerals and Natural Resources Department**

Revised March 17, 1900

**Instruction on back**

**Submit to Appropriate District Office**

**State Loans - 4 Copies**

**For 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 Bone Spring
Property Code	Property Name BENNETT FEDERAL	Well Number 2
OGED No. 025575-15513	Operator Name YATES DRILLING COMPANY	Elevation 3113

### 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	30	25S	30E		2310	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
Dedicated Acres 40	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**

				<p><b>OPERATOR CERTIFICATION</b></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><i>Cy Cowan</i></p> <p>Signature</p> <p>Cy Cowan</p> <p>Printed Name</p> <p>Regulatory Agent</p> <p>Title</p> <p>October 3, 2001</p> <p>Date</p>
	<p>N.32°05'59.8" W.103°55'18.6"</p>			<p><b>SURVEYOR CERTIFICATION</b></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>9/18/2001</p> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p>
<p>← 2310'</p>	<p>3117 3124</p> <p>3109 3117</p> <p>NM-14785</p> <p>2310'</p>			<p>HERSCHEL L. JONES</p> <p>NEW MEXICO</p> <p>LICENSE NO. 3640</p> <p>BENNETT</p> <p>GENERAL SURVEYING COMPANY</p>
				<p>Certificate No. Herschel L. Jones RLS 3640</p>

**YATES DRILLING COMPANY**  
**Bennett Federal #2**  
 2310' FSL and 2310' FWL  
 Section 30-T25S-R30E  
 Eddy County, New Mexico

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

Rustler	595'
Top of Salt	760'
Base of Salt	3265'
Delaware Lime	3460'
Delaware Bell Canyon	3495'
Cherry Canyon	4370'
Brushy Canyon	5650'
Bone Spring	7180'
TD	7500'

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

Water: 150'  
 Oil or Gas: All potential zones.

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)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>
14 3/4"	11 3/4"	42.0#	H-40	ST&C	0-400'
11"	8 5/8"	32.0#	J-55	ST&C	0-3200'
7 7/8"	5 1/2"	17.0#	J-55	LT&C	0-100'
7 7/8"	5 1/2"	15.5#	J-55	LT&C	100'-6800'
7 7/8"	5 1/2"	17#	J-55	LT&C	6800'-7500'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.8, Joint Strength 2.0

**B. CEMENTING PROGRAM:**

Surface casing: 300 sx Class "C" + 2% CaCl<sub>2</sub> (YLD 1.32 WT 14.8).

Intermediate Casing: 700 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx Class C +2% CaCl<sub>2</sub> (YLD 1.32 WT 14.8).

Production Casing: TOC 2700' 700 sx Class Super "C" Modified (YLD 1.67 WT 13.0).

*rec 2700.5*

**5. MUD PROGRAM AND AUXILIARY EQUIPMENT:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud <del>400'</del> <i>520'</i>	FW/Native Mud	8.4-8.8	28-32	N/C
<del>400'-3200'</del>	Brine	10-10.2	28	N/C
3200'-7500'	Cut Brine/Starch	8.8-9.2	28-30	<15 cc

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' from start of mudlogger.

Logging: CNL TD to surface casing; DLL TD to surface casing

Coring: None anticipated.

DST's: As warranted.

**7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:**

Anticipated BHP:

From: 0	TO: 350'	Anticipated Max. BHP:	150 PSI
From: 350'	TO: 1750'	Anticipated Max. BHP:	760 PSI
From: 1750'	TO: 9000'	Anticipated Max. BHP:	4500 PSI
From: 9000'	TO: 12000'	Anticipated Max. BHP:	6000 PSI

Abnormal Pressures Anticipated: None.

Lost Circulation Zones Anticipated: None

H<sub>2</sub>S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 126°

**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 15 days.

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**  
**YATES DRILLING COMPANY**  
**Bennett Federal #2**  
2310' FSL and 2310' FWL  
Section 30-T25S-R30E  
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 35 miles Southeast of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go south of Carlsbad on Highway 285 for approximately 28 miles (approx. mile marker 4) to the intersection on Highway 285 and Whitethorn Road (CR-775) Turn east and go across the Pecos River. From the east side of the Pecos River bridge go approx. 0.3 of a mile to the El Paso pipeline road. Turn left here and go northeast on El Paso Pipeline Road for approx. 4.1 miles. There will be an old pit on the right side of the road. Approx. 0.1 of a mile past the pit a road will go to the right. Turn right here and go south for approx. 0.9 of a mile to corrals. The road will continue to the left. From corrals go approx. 0.3 of a mile. The new road will start here going north for approx. 0.2 of a mile to the southeast corner of the well pad.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will go west for approximately 0.2 of a mile from the point of origin to the southeast corner of drilling pad. The road will lie in a south to north 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. Some traffic turnouts will 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 no 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:

Dirt contractor will locate nearest 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:

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 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:

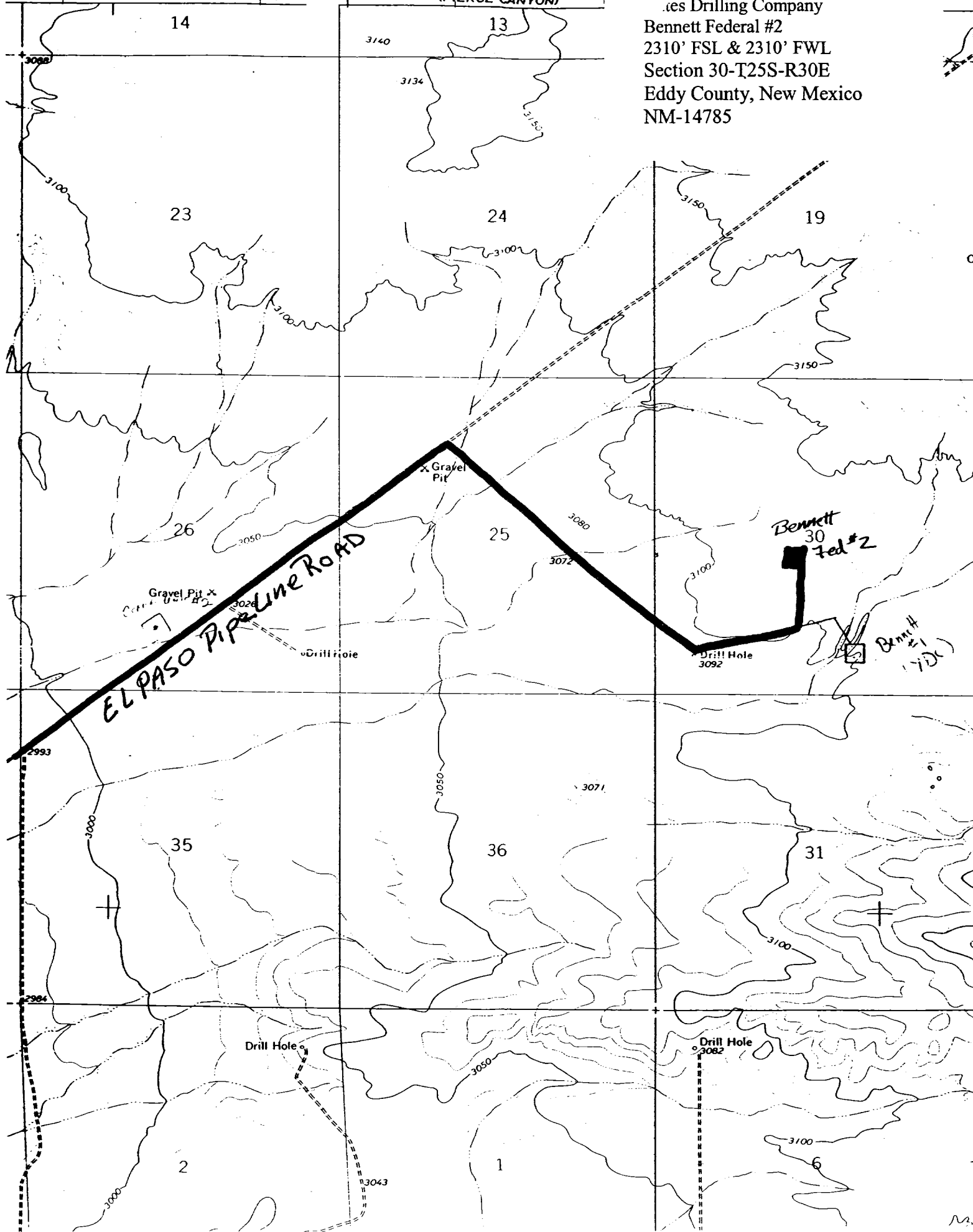
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated 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.

10/11/01

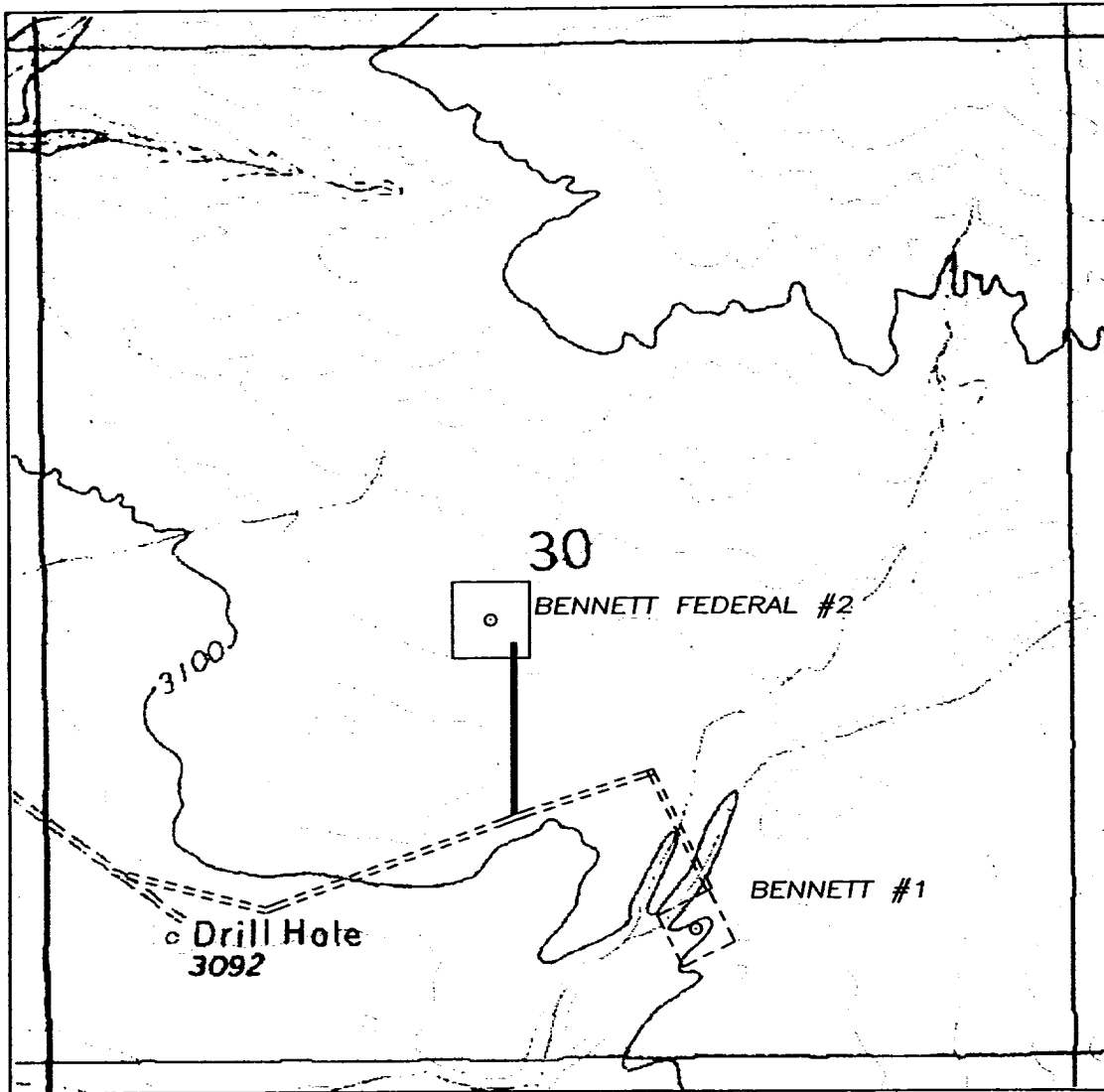
  
Regulatory Agent



Bennett Drilling Company  
 Bennett Federal #2  
 2310' FSL & 2310' FWL  
 Section 30-T25S-R30E  
 Eddy County, New Mexico  
 NM-14785



SECTION 30, TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



Yates Drilling Company  
Bennett Federal #2  
2310' FSL & 2310' FWL  
Section 30-T25S-R30E  
Eddy County, New Mexico  
NM-14785

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.

*[Signature]*  
HERSCHEL L. JONES, S.L.S. No. 3640

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

YATES DRILLING COMPANY

LEASE ROAD TO ACCESS THE YATES DRILLING COMPANY BENNETT FEDERAL #2, LOCATED IN SECTION 30, TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

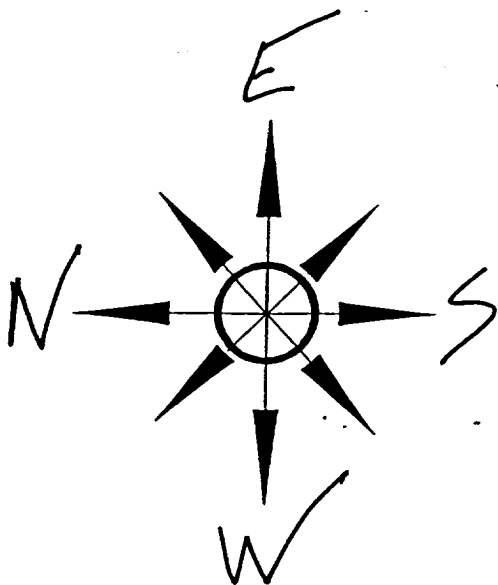
Survey Date: 9/18/2001	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 9/20/01	Scale 1" = 1000' BENNETT 2

PB - L1

# Yates Petroleum Corporation

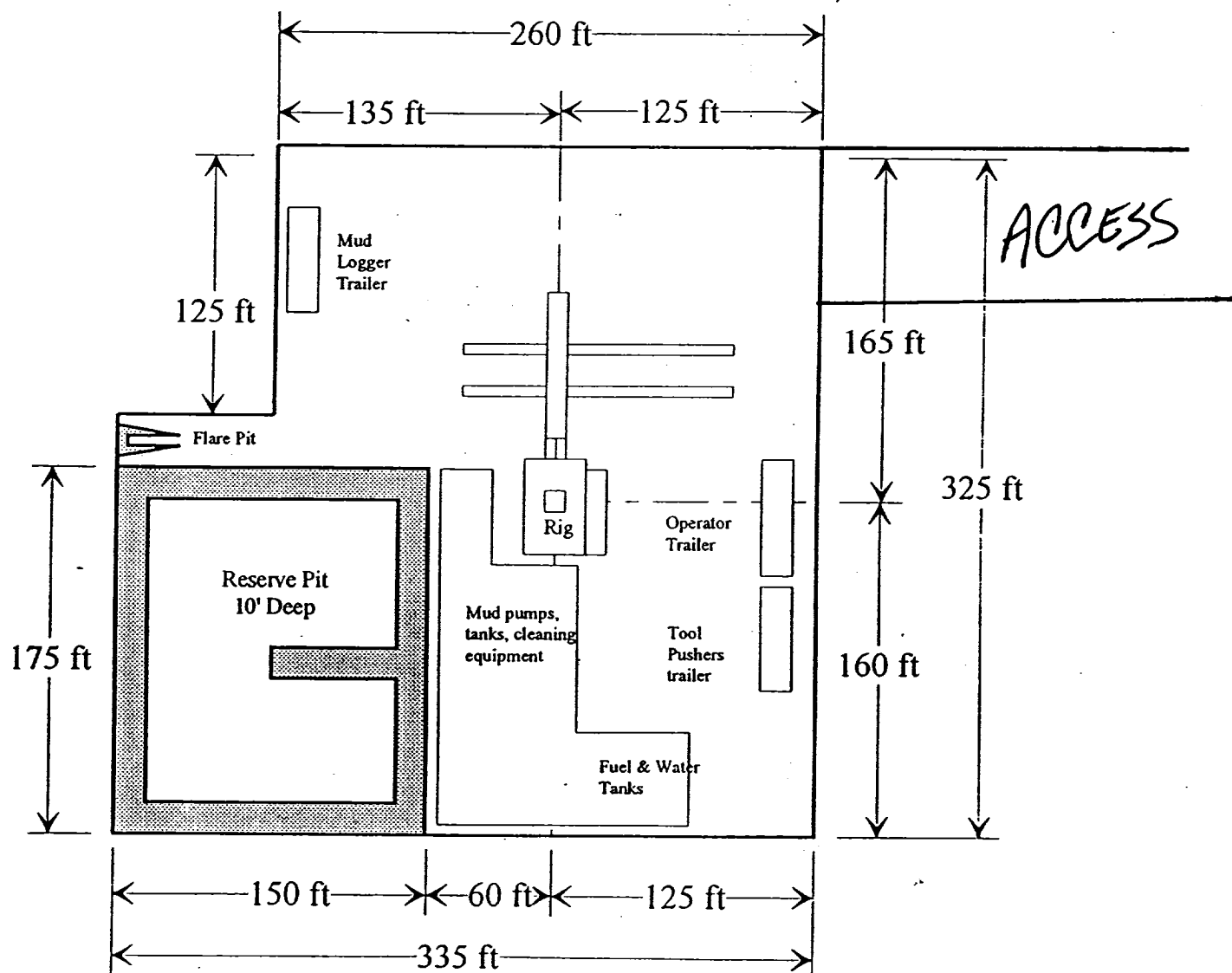
Location Layout for Permian Basin

Up to 12,000'



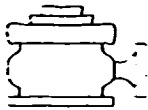
Yates Drilling Company  
Bennett Federal #2  
2310' FSL & 2310' FWL  
Section 30-T25S-R30E  
Eddy County, New Mexico  
NM-14785

Pits  
North



Distance from Well  
Head to Reserve Pit  
will vary between rigs

The above dimension  
should be a maximum

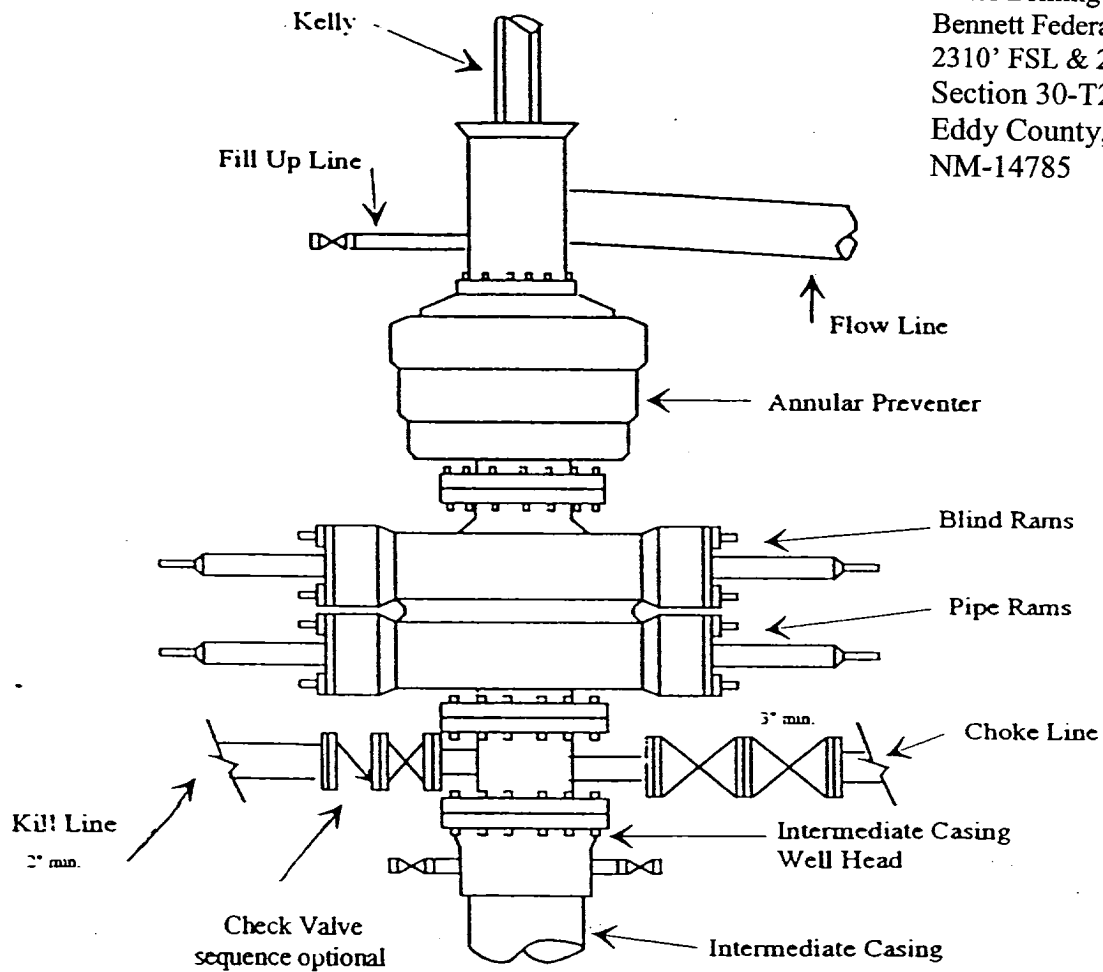


# Yates Petroleum Corporation

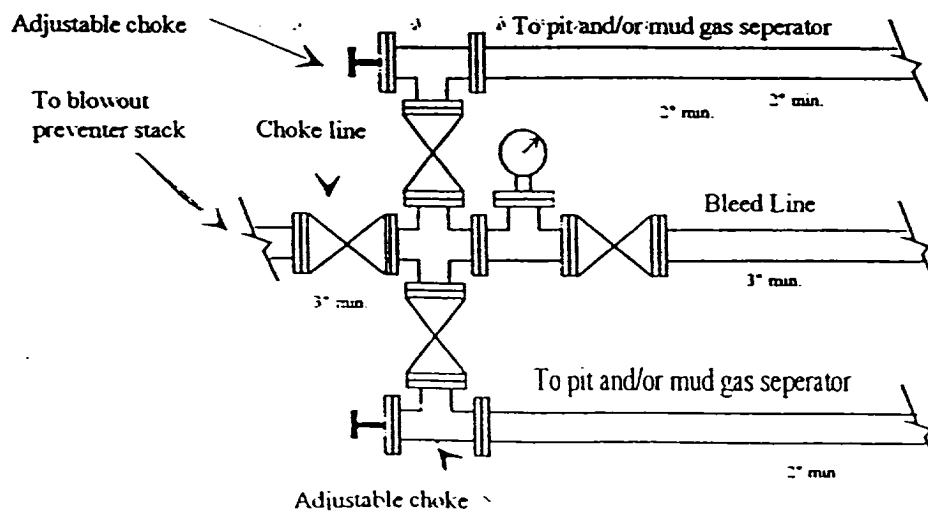
BOP-3

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

Yates Drilling Company  
Bennett Federal #2  
2310' FSL & 2310' FWL  
Section 30-T25S-R30E  
Eddy County, New Mexico  
NM-14785



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



ates Drilling Company  
Bennett Federal #2  
2310' FSL & 2310' FWL  
Section 30-T25S-R30E  
Eddy County, New Mexico  
NM-14785

POKE

"Poker Lake"

(S.F.)  
(Thru Line)  
Bass E  
0616

P.R. Bass  
Poker Lake Unit  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007

Alamo  
Bass E  
10-1-2007  
10-1-2007

Richardson Oil  
10-1-2007  
10-1-2007