

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South Fourth Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

330' FNL and 330' FWL

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approx. 35 miles SE of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

330'

16. NO. OF ACRES IN LEASE

720

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

6850'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

2932 GR

22. APPROX. DATE WORK WILL START*

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	700'	400 SX circulated
7 7/8"	5 1/2"	155#	TD	500 SX (tie back)

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

Ken Beardsley

TITLE

Landman

DATE

2/24/93

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY: *DAVID L. MANIS*

TITLE

DATE

5/7/93

GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

ATTACHED

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

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

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

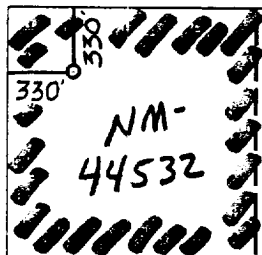
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease SOSA FEDERAL		Well No. 3
Unit Letter D	Section 15	Township 26 SOUTH	Range 29 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 330 feet from the NORTH line and 330 feet from the WEST line					
Ground level Elev. 2932	Producing Formation Delaware		Pool Undes. Brushy Draw - Delaware		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____
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 in true and complete to the best of my knowledge and belief.

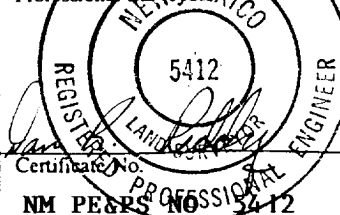
Signature *Ken Beardsley*
Printed Name **Ken Beardsley**
Position **Landman**
Company **Yates Pet. Corp.**
Date _____

SURVEYOR CERTIFICATION

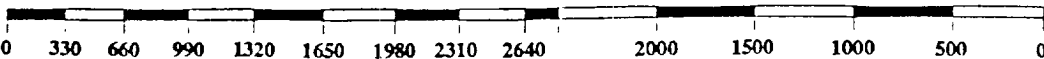
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

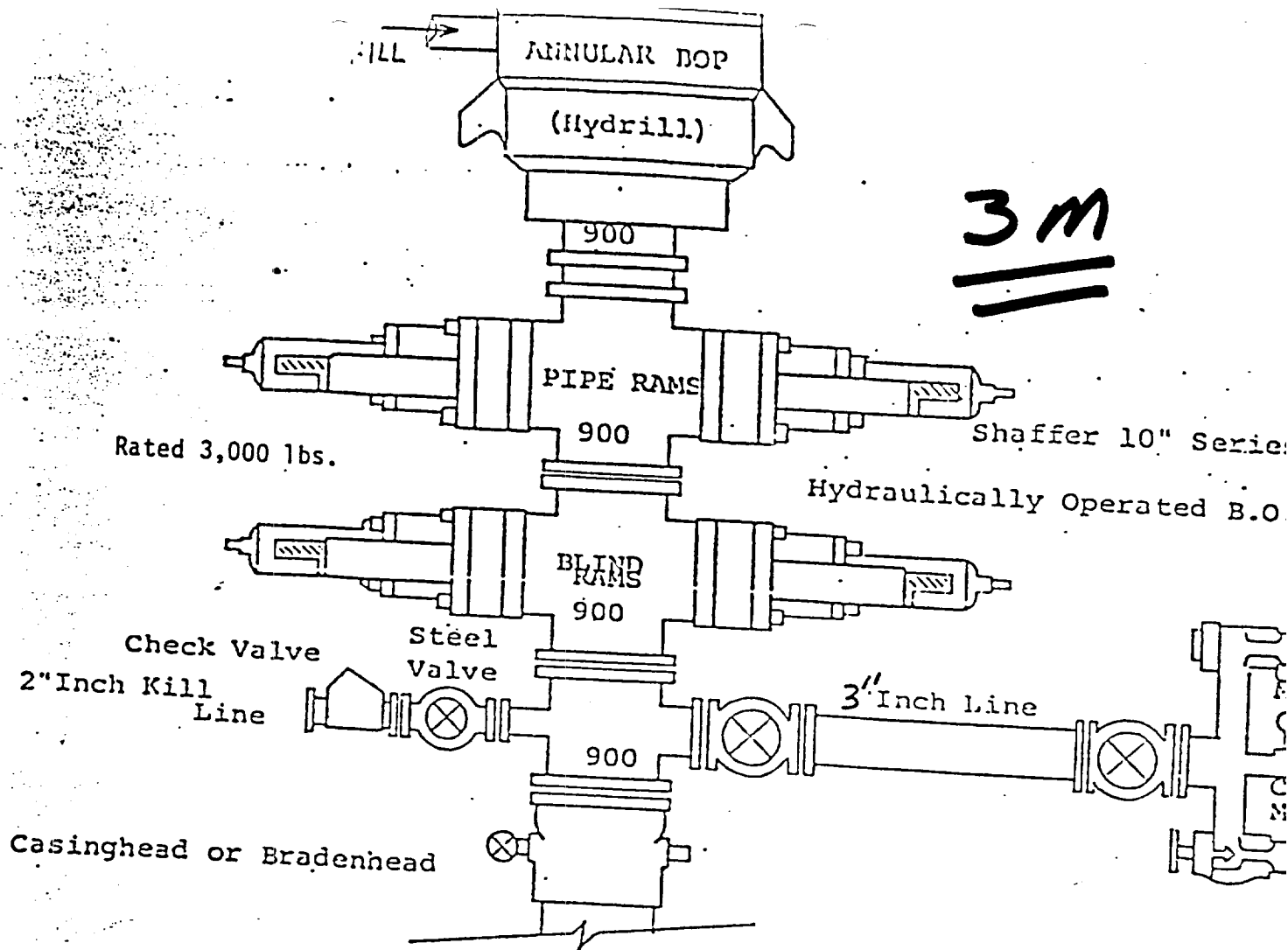
Date Surveyed
FEBRUARY 15, 1993

Signature of
Professional Surveyor



Certificate No.
NM PEERS NO 5412





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 3" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of the required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

EXHIBIT
B

YATES PETROLEUM CORPORATION

SOSA FEDERAL #3

330' FNL and 330' FWL

Sec. 15-T26S-R29E

County Eddy, New Mexico

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

Rustler	700'
Top Salt	861'
Base Salt	2745'
Bell Canyon	2944'
Cherry Canyon	3880'
Brushy Canyon	5610'
Bone Spring	6705'
TD	6850'

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

Water: 500'
Oil or Gas: Bone Springs

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 Si00</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8"	24#	J55	8R	ST&C	0-700	700'
7 7/8"	5 1/2"	15.5#	J55	8R	LT&C	0-6830	6830'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80

B. CEMENTING PROGRAM:

Surface casing: 200 sx. Pacesetter Lite "C" w/ 1/4# Cellocel & 3% Caclz (wt. 12.7 ppg. Yield 1-84 ft3) & 200 sx. Class "C" w/ 2% Caclz (wt. 14.8 ppg, yield 1.84 ft3) Cement calculated to circulate to surface.

Production Casing: 1st stage: 200sx. "H" w/8# Sack CSE, + 0.6%CF-14 + 5# Sack Gilsonite (wt. 13.6 ppg Yield 1.75 ft3) Cement calculated to 5500' DV Tool; set at approx. 5500 ft.

2nd Stage: 300 sacks "C" w/ 5# Gilsonite, 1/4# sack Cellocel, + 0.5% CF-14. wt. 14.8 ppg, Yield 1.84 ft3) + 150 sacks "H" w/o 0.6% CF-14 8# sack CSE, 5# sack gilsonite. (wt.13.6 ppg Yield 1.76 ft3) Cement calculated to 2700'

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-700	fwgel	8-4 8-9	32-36	N/C
700-3800	Brine	10-0	28	N/C
3800-6830	Brine	10-1	29-32	< 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: None
Logging: As warranted
Coring: None
DST's: As warranted

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

Anticipated BHP:

From: 0	TO: 700	Anticipated Max. BHP: 255	PSI
From: 700	TO: 6830	Anticipated Max. BHP: 2480	PSI

Abnormal Pressures Anticipated: None

Lost Circulation zones anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 135 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 15 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

SOSA FEDERAL #1

330' FNL AND 330' FWL

Sec. 15-T 26S-R 29E

County Eddy, 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:

- 1.) From Carlsbad go south on highway 285 approximately 28.5 miles.
- 2.) Turn east on county road 725 for approximately 6.1 miles.
- 3.) Location is on east side of county road, no new road is needed.

2. PLANNED ACCESS ROAD - None needed

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 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:

If needed caliche will be obtained by construction company on a federal pit located in the NW NW of 24/T26S-R29E.

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: A flowline shall be run along the same route as the powerline to the Sosa Federal #1 location on the surface (see topo).

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:

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:

Ken Beardemphl, Landman
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

B. Through Drilling Operations,
Completions and Production:
Mike Slater, 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.

2/24/93 Date


Landman

SOSA FEDERAL #3
330' FNL and 330' FWL
Sec. 15-T26S-R29E
Eddy County, New Mexico

SOSA FEDERAL #3
330' FNL and 330' FWL
Sec. 15-T26S-R29E
Eddy County, New Mexico

Exhibit A

So 59 Feb.

#3
5034
#3

Flooded

Sasha Furland

Brushy

Well
as Ranch

Drill Hole

MALAGA (VIA U.S. 285) 17 MI. 5148 II
42 MI TO U.S. 285 MALAGA (V.62 500)

2'30"

RIVER

PECOS

2850

YATES PETROLEUM CORPORATION

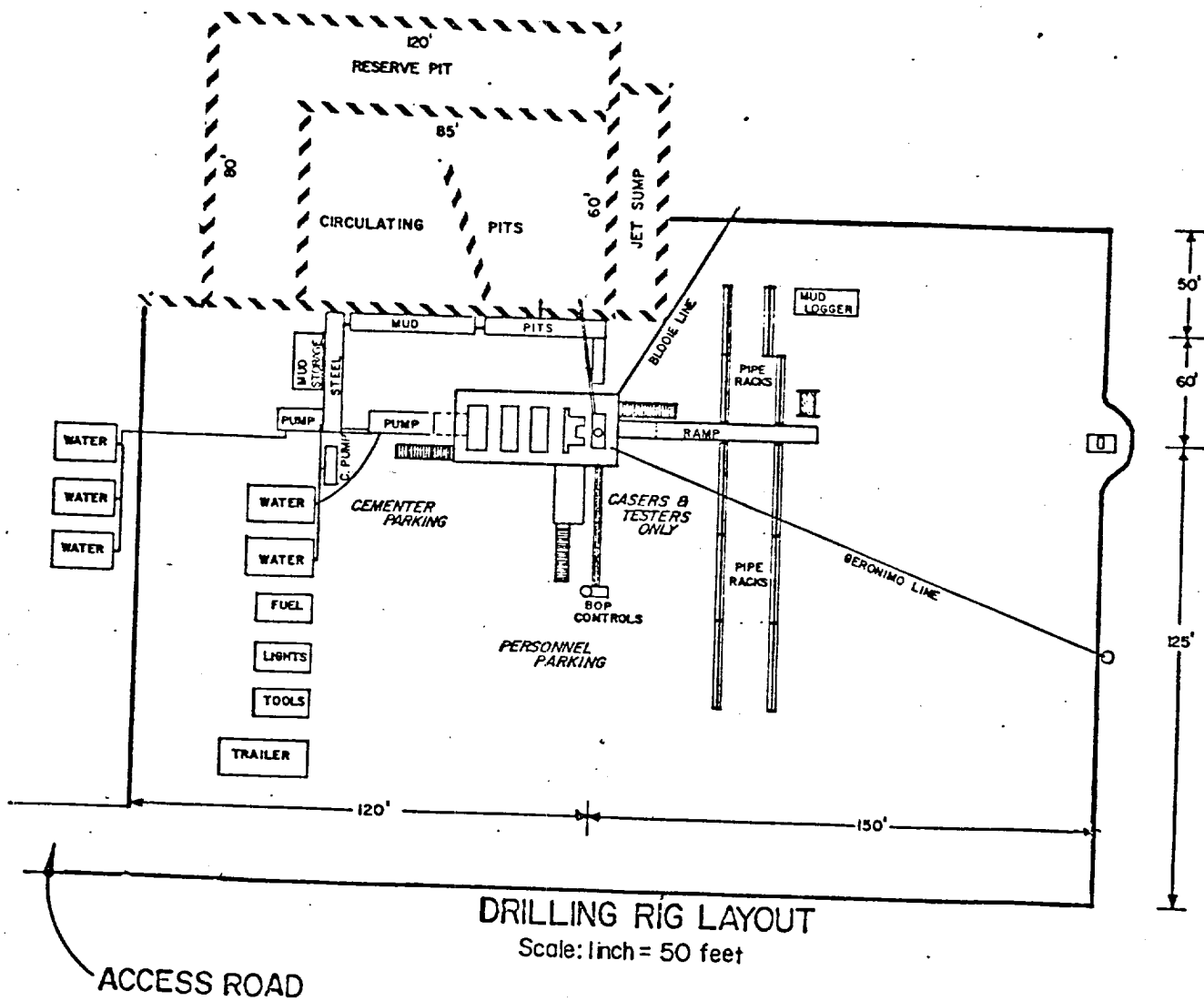
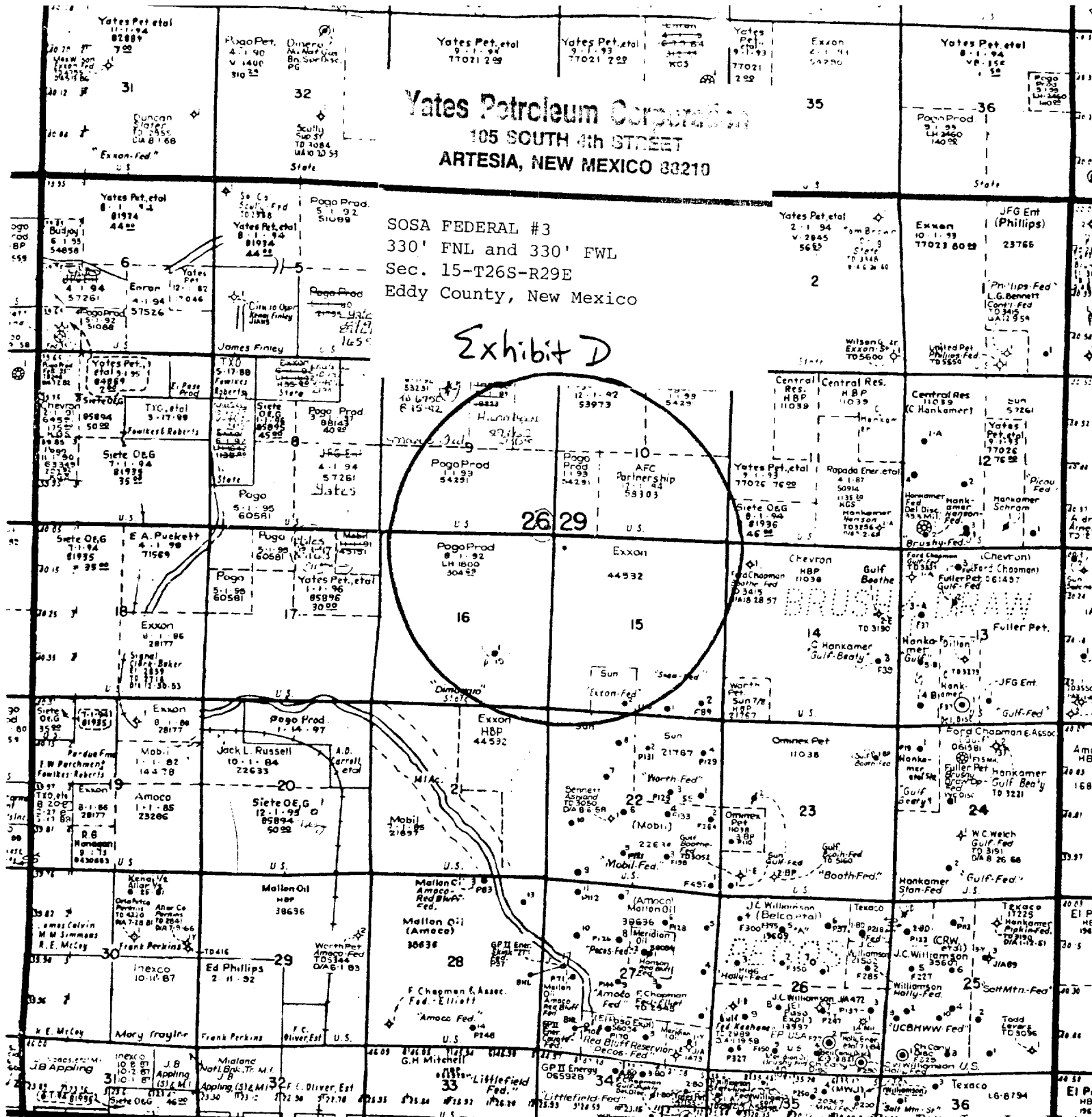


Exhibit C

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

SOSA FEDERAL #3
330' FNL and 330' FWL
Sec. 15-T26S-R29E
Eddy County, New Mexico

Exhibit D



REEVES, North

R-29-E

LOVING County

