

Form 3160-3  
(August 1999)

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

0  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No.

NM-44532

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

12760

8. Lease Name and Well No.

Sosa Federal #3

9. API Well No.

27444  
30-015-~~3333~~

10. Field and Pool, or Exploratory

Undes. Brushy Draw Delaware

11. Sec., T., R., M., or Blk, and Survey or Area

Section 15, T26S-R29E

12. County or Parish

Eddy County

13. State

NM

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' FNL & 330' FWL

At proposed prod. Zone

Same

UNIT D

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

Approximately 35 miles SE of Carlsbad, 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

720

17. Spacing Unit dedicated to this well

40

18. Distance from proposed location\*

to nearest well, drilling, completed,  
applied for, on this lease, ft.

19. Proposed Depth

6850'

20. BLM/BIA Bond No. on file

585997

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

2932'

22. Approximate date work will start\*

ASAP

23. Estimated duration

45 days

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)

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

3/29/02

Title:

Regulatory Agent

Approved by (Signature)

/s/ LESLIE A. THEISS

Name (Printed/Typed)

/s/ LESLIE A. THEISS

Date

MAY 03 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)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

BUREAU OF LAND MGMT.  
ROSWELL OFFICE

2002 APR -3 AM 8:25

RECEIVED

DISTRICT I  
1825 E. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First, Artesia, NM 88210  
DISTRICT III  
1000 Elie Brazos Rd., Aztec, NM 87410  
DISTRICT IV  
2049 South Pacheco, Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999  
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
		Undes. Brushy Draw Deleware
Property Code	Property Name	Well Number
	SOSA FEDERAL	3
OCED No.	Operator Name	Elevation
025575	Yates Petroleum Corporation	2932

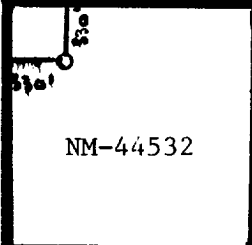
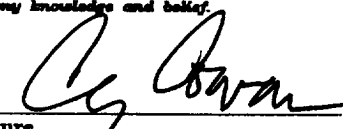
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	26S	29E		330'	North	330'	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	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

 NM-44532				<b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Cy Cowan Printed Name Regulatory Agent Title 3/29/02 Date
				<b>SURVEYOR CERTIFICATION</b> <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>
				REFER TO ORIGINAL PLAT Date Surveyed Signature & Seal of Professional Surveyor
				Certificate No. Herschel L. Jones RLS 3640 GENERAL SURVEYING COMPANY

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

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

330'  
NM-  
44532

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is 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  
**5412**  
REGISTERED LAND SURVEYOR  
ENGINEER  
Certificate No.  
**5412**  
NM PE&S NO. 5412

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

# ATES PETROLEUM CORPORATION

Sosa Federal #3

330' FNL and 330' FWL

Section 15-T26S-R29E

Eddy County, New Mexico

- 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'

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

Water: 500'  
Oil or Gas: Bone Springs.

- Pressure Control Equipment: BOPE will be installed on the ~~12 5/8"~~ <sup>8 5/8"</sup> 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.

- THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

Hole Size	Casing Size	Wt./Ft	Grade	Coupling	Interval	Length
12 1/4"	8 5/8"	24#	J55	ST&C	0- <del>700</del> <sup>425</sup>	700'
7 7/8"	5 1/2"	15.5#	J-55	LT&C	0-6830'	6830'

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

## B. CEMENTING PROGRAM:

Surface casing: 200 sx Pacesetter Lite "C" w/ 1/4 # Cellocel & 3% CaCl<sub>2</sub>  
(Yld 1.84 Wt. 12.7) & 200 sx Class "C" w/2% CaCl<sub>2</sub>  
(YLD 1.84 WT 14.8) Cement calculated to circulate to surface.

Production Casing: Stage I: 200 sx "H" w/8# sx CSE,+0.6% CF-14 + 5# Sack Gilsonite (Yld 1.75 Wt. 13.6), Cement calculated to 5500' DV Tool; set at approx. 5500'.

Stage II: 300 sx Lite "C" w/5# Gilsonite, 1/4# sx Cellocel, + 0.5% CF-14 (Yld 1.84 Wt 14.8) + 150 sx "H" w/o 0.6% CF-14 8# sx CSE, 5# sx Gilsonite (Yld 1.76 Wt. 13.6) Cement calculated to 2700'.

## 5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

Interval	Type	Weight	Viscosity	Fluid Loss
<del>0-700'</del> 425'	FW/Gel	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: Every 10' from surface casing to TD.  
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

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

Maximum Bottom Hole Temperature: 135F

## 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**  
**UNITED STATES PETROLEUM CORPORATION**  
**Sosa Federal #3**  
330' FNL and 330' FWL  
Section 15-T26S-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 well site 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:**

From Carlsbad go south on Highway 285 approximately 28.5 miles. Turn east on County Road 725 and go approximately 6.1 miles. 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 well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

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 NWNW of Sec. 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 landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES:

A flow line shall be run along the same route as the powerline to the Sosa Federal #1 location on the surface (see Exhibit A)

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 well site 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 BLM, 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.

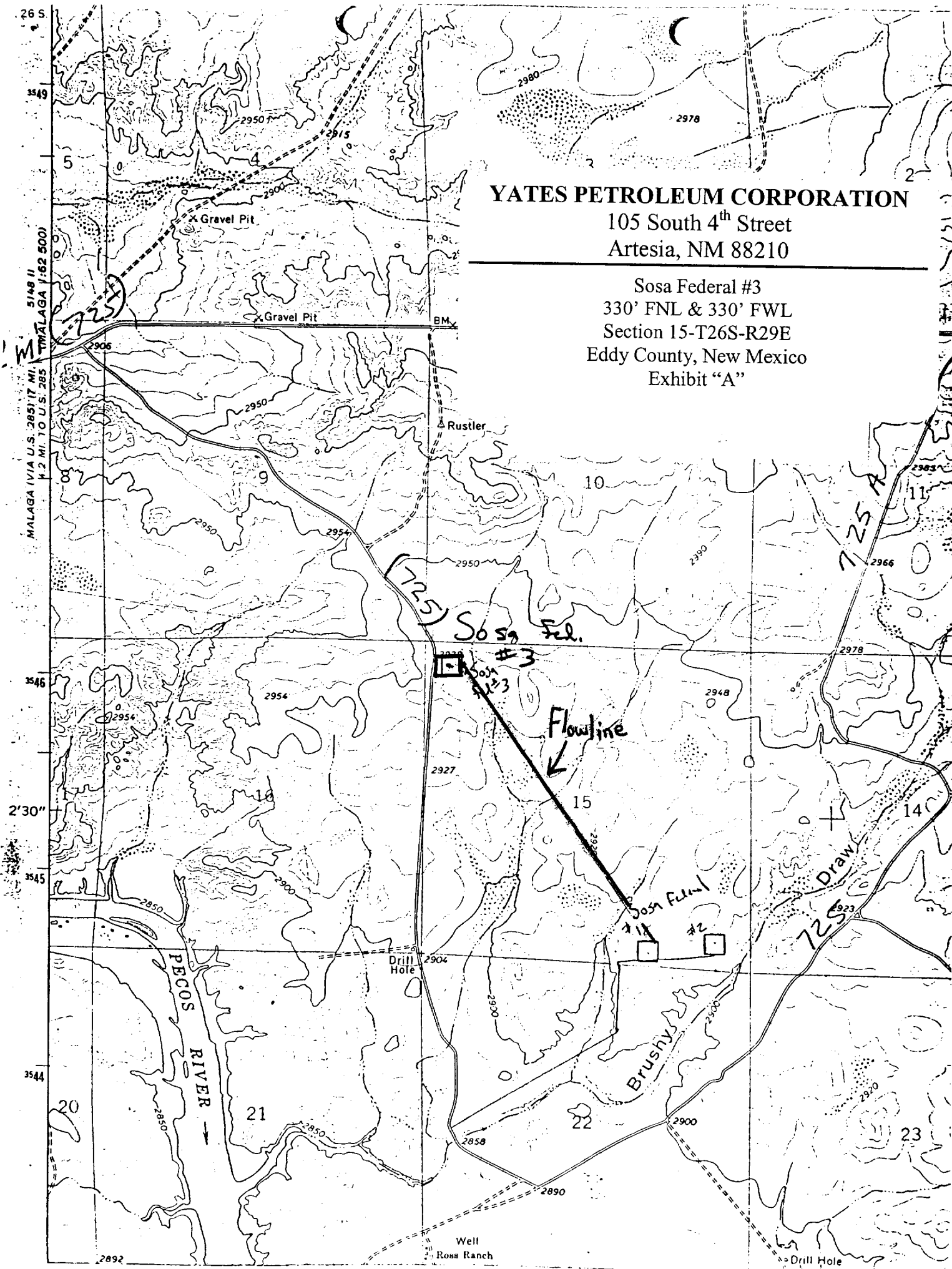
3/29/2002

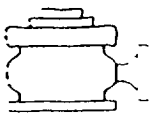
  
Regulatory Agent

# YATES PETROLEUM CORPORATION

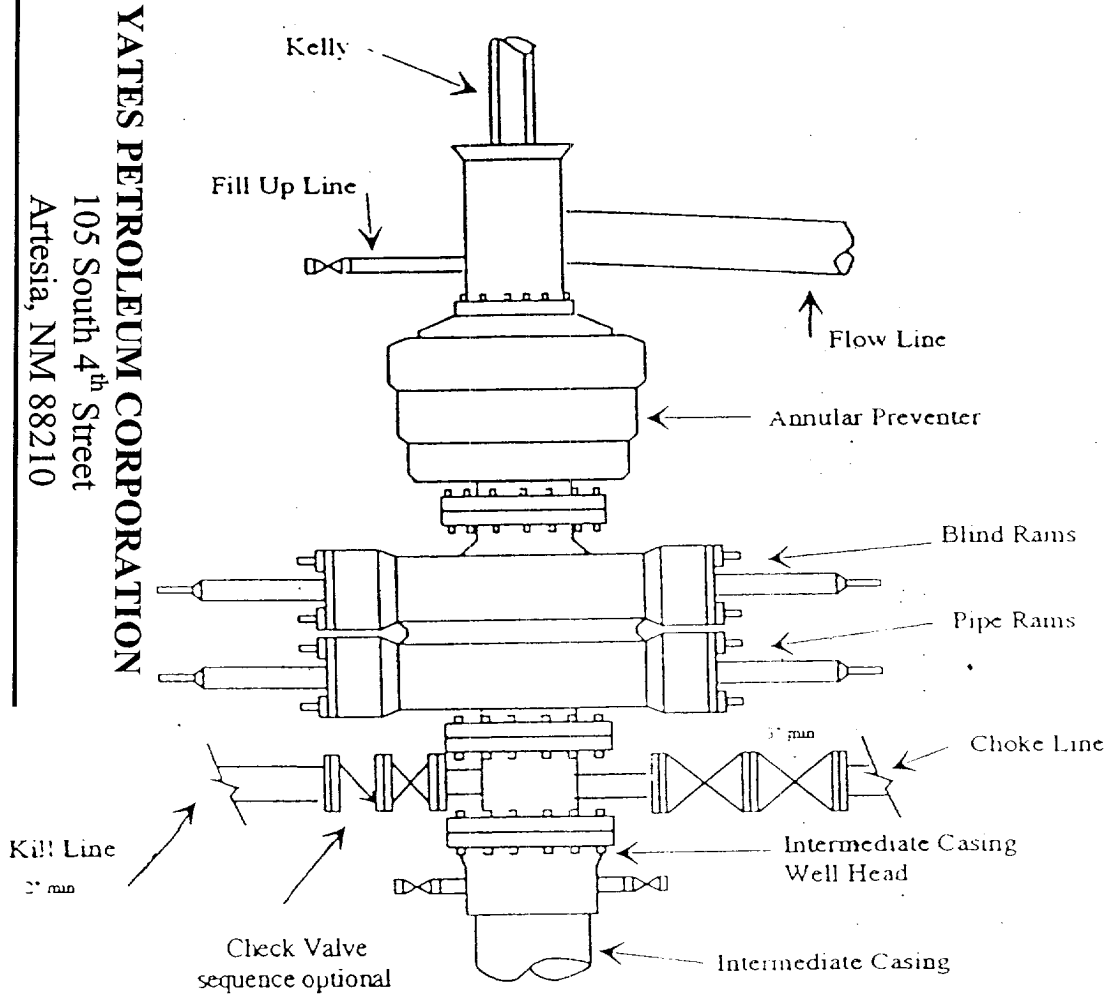
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Sosa Federal #3  
330' FNL & 330' FWL  
Section 15-T26S-R29E  
Eddy County, New Mexico  
Exhibit "A"





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



YATES PETROLEUM CORPORATION

105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Sosa Federal #3

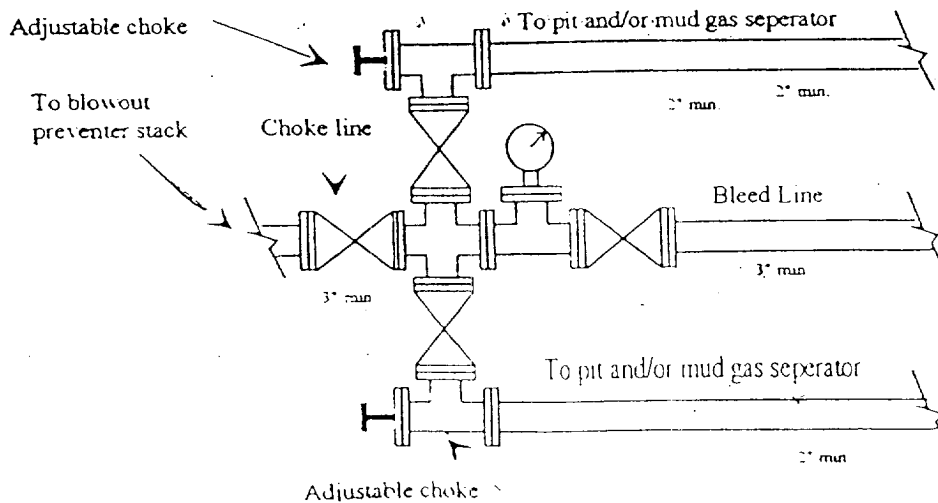
330' FNL & 330' FWL

Section 15-T26S-R29E

Eddy County, New Mexico

Exhibit "B"

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



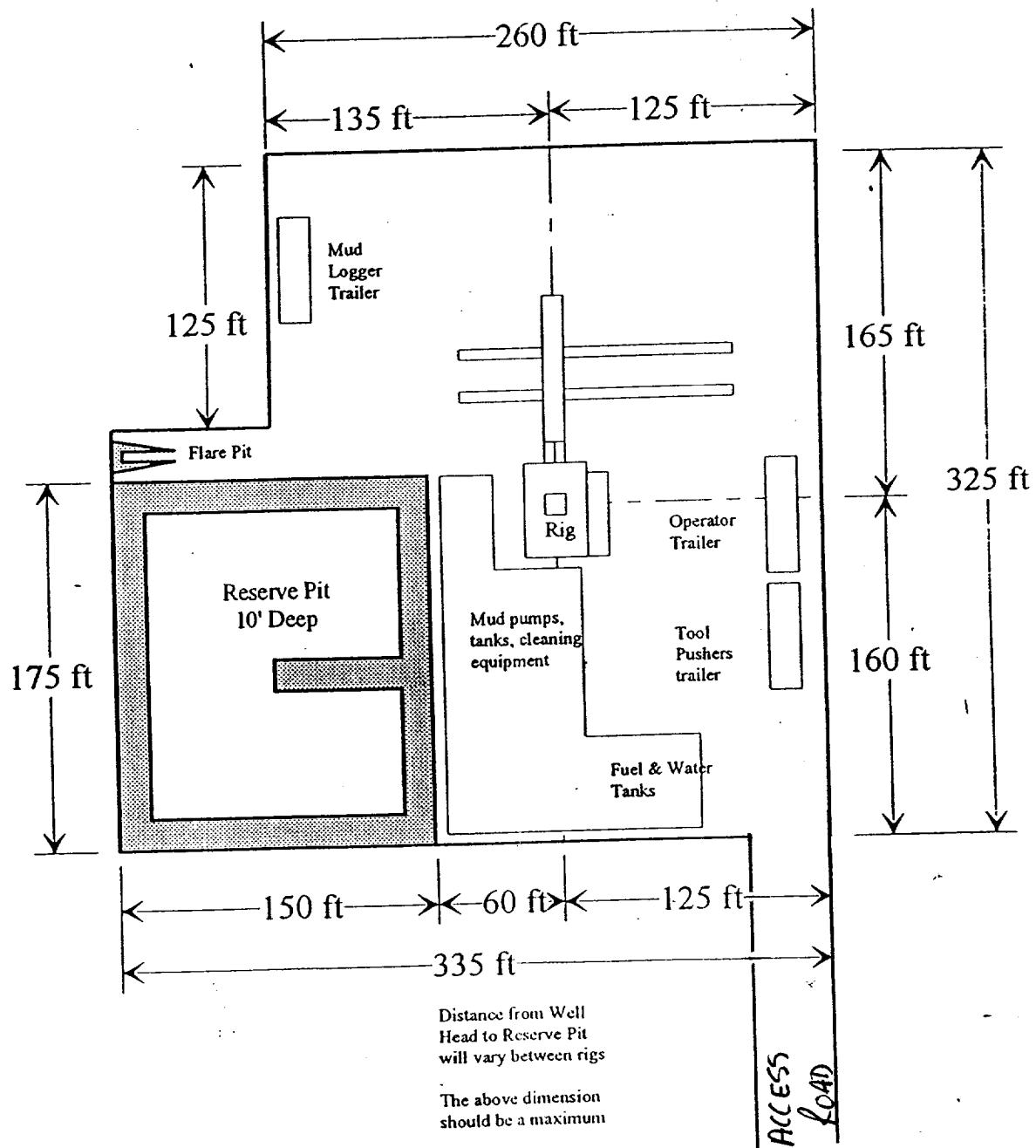
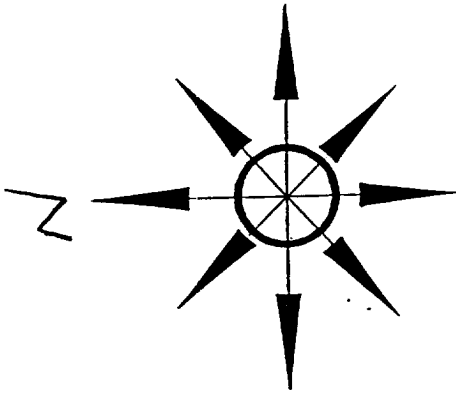
# Yates Petroleum Corporation

Location Layout for Permian Basin  
Up to 12,000'

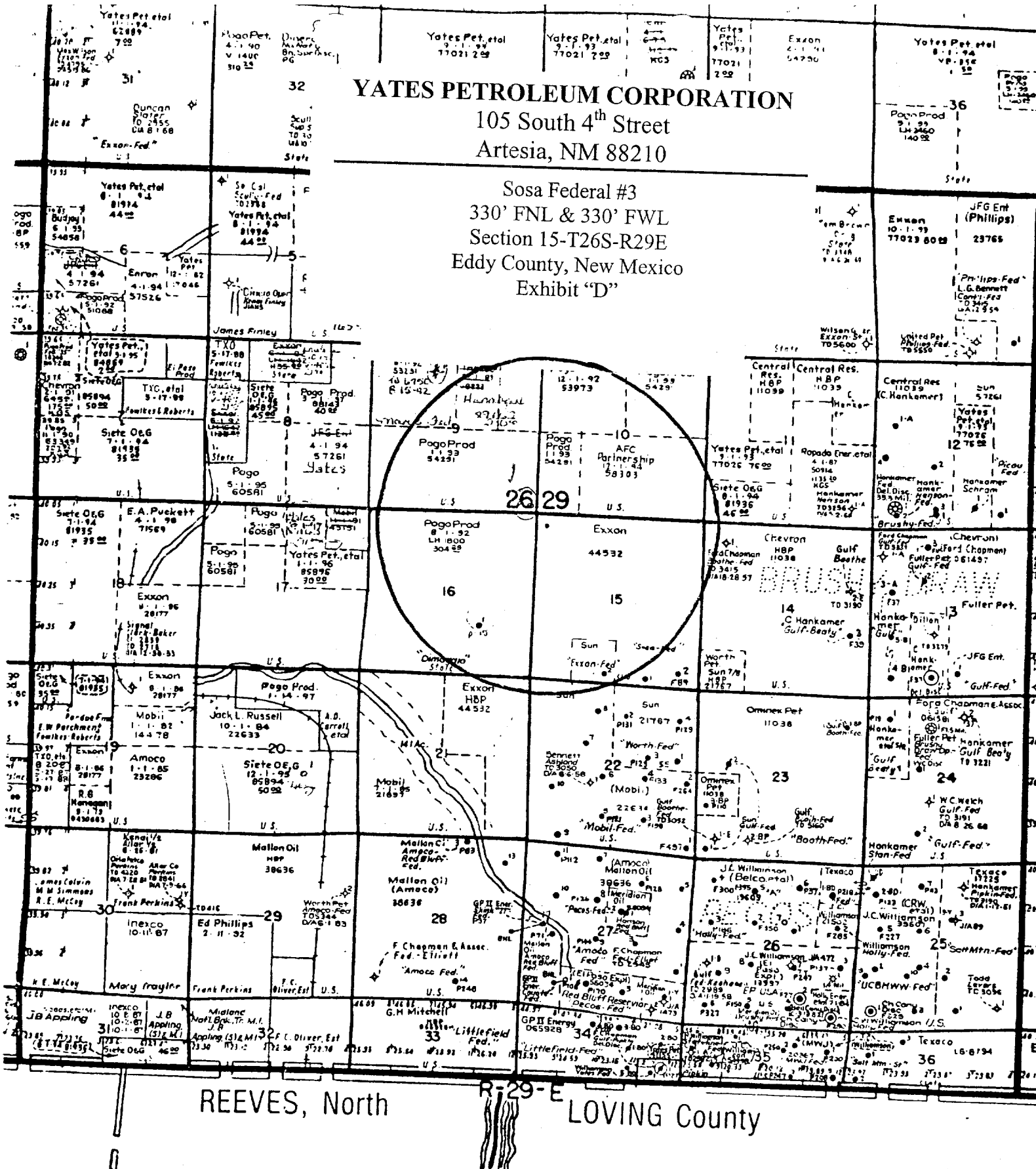
## YATES PETROLEUM CORPORATION

105 South 4<sup>th</sup> Street  
Artesia, NM 88210

Sosa Federal #3  
330' FNL & 330' FWL  
Section 15-T26S-R29E  
Eddy County, New Mexico  
Exhibit "C"



Sosa Federal #3  
330' FNL & 330' FWL  
Section 15-T26S-R29E  
Eddy County, New Mexico  
Exhibit "D"



: 800 592 4650

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

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 (Footage, Sec., T., R., M., or Survey Description)

330' FNL and 330' FWL  
Section 15, T26S-R29E

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.

NM-44532

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Sosa Federal #3

9. API Well No.

10. Field and Pool, or Exploratory Area  
Undesignated Brushy  
Draw Delaware

11. County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other EXTEND APD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum Corporation wishes to extend the captioned well's APD expiration date for one (1) year to May 7, 2001.

Thank you.

Approved For Month Period

Expiry 5/7/2002



14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Jamie Savoie

Signature

*Jamie Savoie*

Title Regulatory Technician

Date April 19, 2000

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) JOE G. LARA

Title

Date

10/10/2001

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

CFO

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.

DEPARTMENT OF LAND REVENUE  
HONG KONG

2000 APR 20 A 9:55

RECEIVED