

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER



FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-101585
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Yates Petroleum Corporation 25575		7. If Unit or CA Agreement, Name and No. 26710
3a. Address 105 South Fourth Street Artesia, New Mexico 88210		8. Lease Name and Well No. Lady Luck AUV Federal Com. #1
3b. Phone No. (include area code) (505) 748-1471		9. API Well No. 30-015-31473
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1980' FNL & 2400' FEL At proposed prod. zone same Unit G		10. Field and Pool, or Exploratory Crow Flats Morrow
14. Distance in miles and direction from nearest town or post office* Approximately 8 miles east of Artesia, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area Section 33, T16S-R27E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 240'	16. No. of Acres in lease 320	12. County or Parish Eddy
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2890'	17. Spacing Unit dedicated to this well N/2	13. State NM
19. Proposed Depth 9000'	20. BLM/BIA Bond No. on file 585997	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3395'	22. Approximate date work will start* ASAP	
23. Estimated duration		
24. Attachments		

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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification.   |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Ken Beardemphl	Date March 1, 2000
Title Landman		
Approved by (Signature) 	Name (Printed/Typed) BILLY D. DRAKE	Date 3/1/2000
Title Assistant Field Manager, Lands And Minerals		
Office ROSWELL FIELD OFFICE		

Application approval does not warrant or certify 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.

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)

NSA-

OPERATOR TO NOTIFY OCD SPUD & TIME  
TO WITNESS CEMENTING 4" & 8 5/8"  
CASING

District I  
1625 N. French Dr., Hobbs, NM 88240

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

State of New Mexico  
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised March 17, 1999

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

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name Crow Flats Morrow
<sup>4</sup> Property Code	<sup>5</sup> Property Name LADY LUCK "AUV" FEDERAL COM	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name YATES PETROLEUM CORPORATION	<sup>9</sup> Elevation 3395.

#### <sup>10</sup> Surface Location

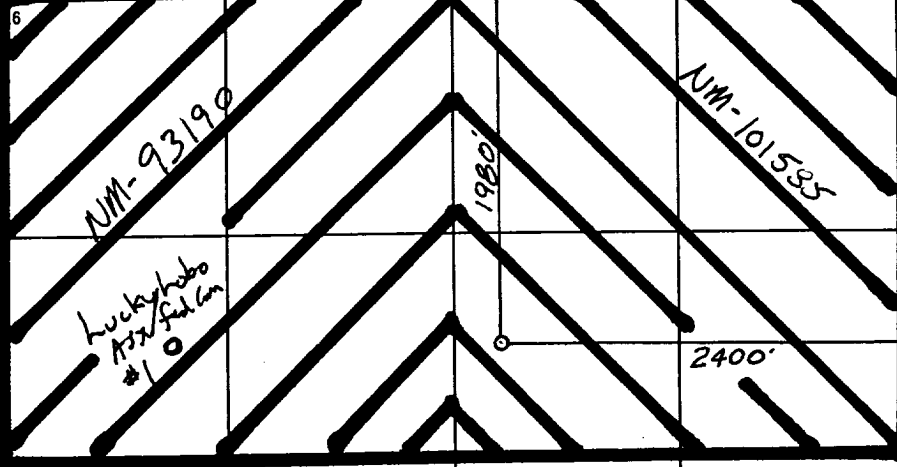
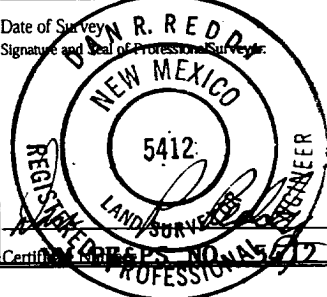
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	33	16-S	27-E		1980	NORTH	2400	EAST	EDDY

#### <sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

	<b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <u>Ken Beardemphl</u> Printed Name <u>Landman</u> Title <u>March 1, 2000</u> Date
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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.  <u>FEBRUARY 11, 2000</u> Date of Survey Signature and Seal of Professional Surveyor: 

**YATES PETROLEUM CORPORATION**

Lady Luck AUV Federal Com #1  
1980' FNL & 2400' FEL  
Sec. 33-T16S-R27E  
Eddy County, New Mexico

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

San Andres	1295'
Glorietta	2733'
Yeso	2870'
Abo	4747'
Wolfcamp Lime	5944'
Lower Canyon Lime	7629'
Strawn	8046'
Atoka	8048'
Morrow Clastics	8606'
Chester Lime	8834'
TD	9000'

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

Water: 200' - 400'  
Oil or Gas: All Potential Zones

3. Pressure Control Equipment: BOPE will be installed on the 8 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>Thread</u>	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8	24#	J55	ST&C	0-1350'	1350'
7 7/8"	4 1/2"	11.6#	S95	LT&C	0-9000'	9000'

**WITNESS**

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

**B. CEMENTING PROGRAM:**

Surface casing: 300 sacks 35:65 POC C (Yield 1.9 Wt. 12.66); tail in with 200 sacks "C" + %2 CaCl<sub>2</sub> (Yield 1.32 Wt. 14.6).

Production Casing: TOC 7500', 400 sacks Super "C" modified (Yield 2.0 Wt. 12.0).

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

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1350'	Freshwater	8.4-8.8	32-34	N/C
1350'-4700'	FW Gel	8.4-8.6	28	N/C
4700'-8000'	Cut Brine	8.6-9.1	28	N/C
8000'-TD	SGel/Starch	9.5-10	30-34	< 10

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: Pex-Hals TD-casing; CNL/GR up to surface; DLL w/RXO TD-casing.

Coring: None anticipated.

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 1350'	Anticipated Max. BHP: 600	PSI
From: 1350'	TO: 9000'	Anticipated Max. BHP: 4800	PSI

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

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

Maximum Bottom Hole Temperature: 155 F

**8. ANTICIPATED STARTING DATE:**

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 18 days.

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

**Yates Petroleum Corporation**  
Lady Luck AUV Federal Com #1  
1980' FNL & 2400' FEL  
Sec. 33-T16S-R27E  
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 8 miles Northeast of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

#### **DIRECTIONS:**

Go east of Artesia Highway 82 for 5 miles to Karr Ranch Road (Ct. 200). Turn North for approximately 2 miles and turn east on lease road to Oxy's Lucky Dog #1 well. Turn North for 1/4 of a mile and turn east to location.

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

- A. The proposed new access will be approximately 1500' in length from the point of origin to the southwest of the drilling pad. The road will lie in a west to east 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 turnout 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 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 re-enter the proposed well with a salt brine system. The salt brine 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:

Location is already in place, however, if additional materials are needed a local dirt contractor will get them from the closest pit and pay owner.

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 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:

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:

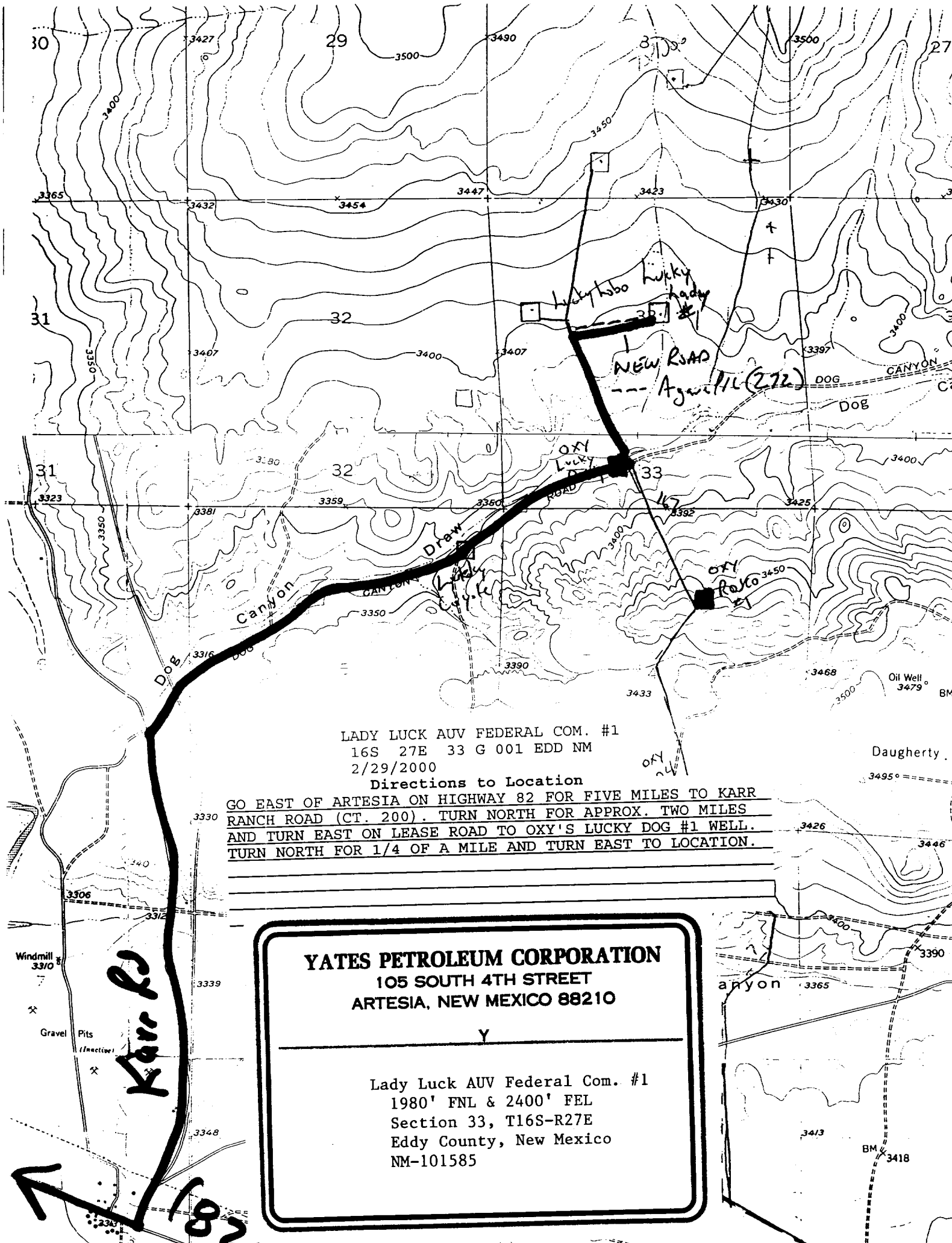
Brian Collins, Operations Manager  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

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.

03/01/00

  
Landman



LADY LUCK AUV FEDERAL COM. #1  
16S 27E 33 G 001 EDD NM  
2/29/2000

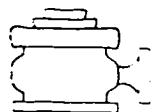
Directions to Location  
GO EAST OF ARTESIA ON HIGHWAY 82 FOR FIVE MILES TO KARR  
RANCH ROAD (CT. 200). TURN NORTH FOR APPROX. TWO MILES  
AND TURN EAST ON LEASE ROAD TO OXY'S LUCKY DOG #1 WELL.  
TURN NORTH FOR 1/4 OF A MILE AND TURN EAST TO LOCATION.

**YATES PETROLEUM CORPORATION**  
105 SOUTH 4TH STREET  
ARTESIA, NEW MEXICO 88210

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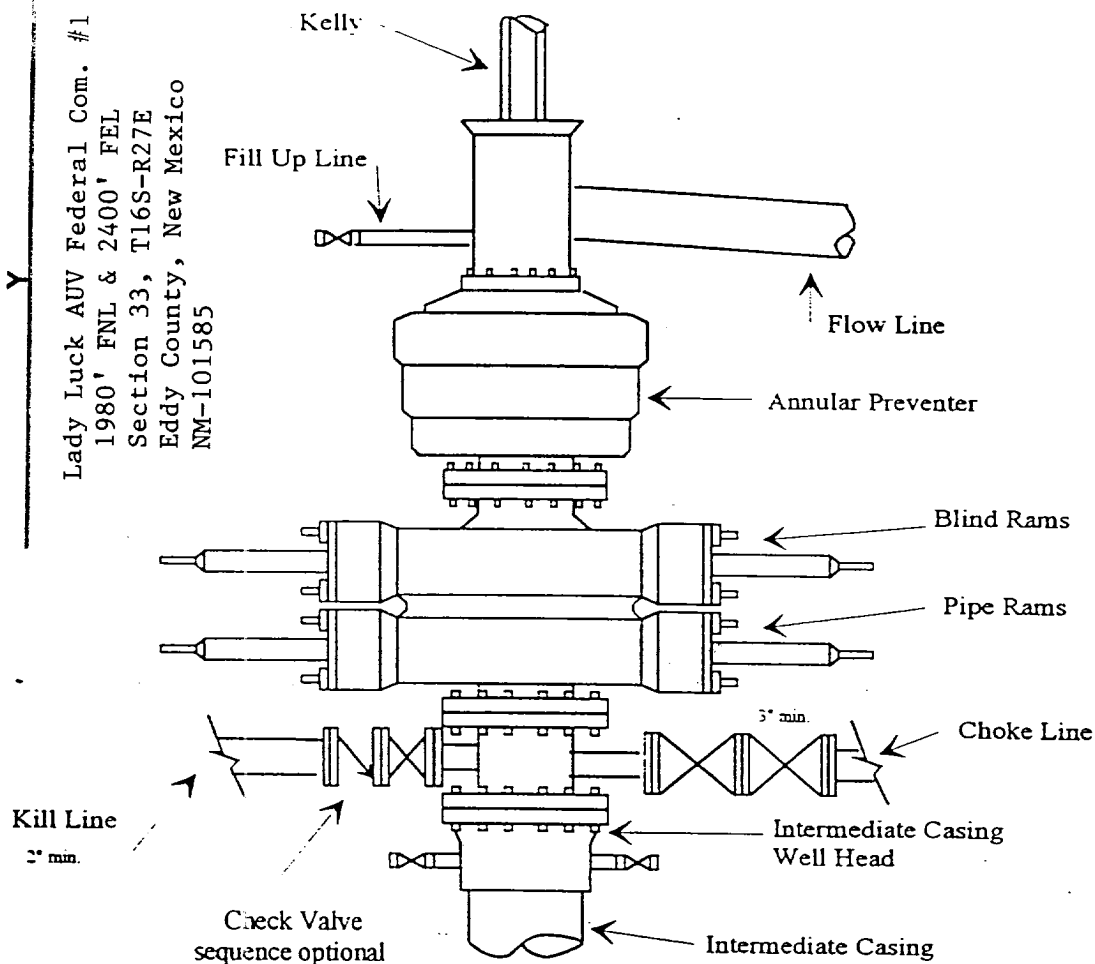
**YATES PETROLEUM CORPORATION**  
 105 SOUTH 4TH STREET  
 ARTESIA, NEW MEXICO 88210



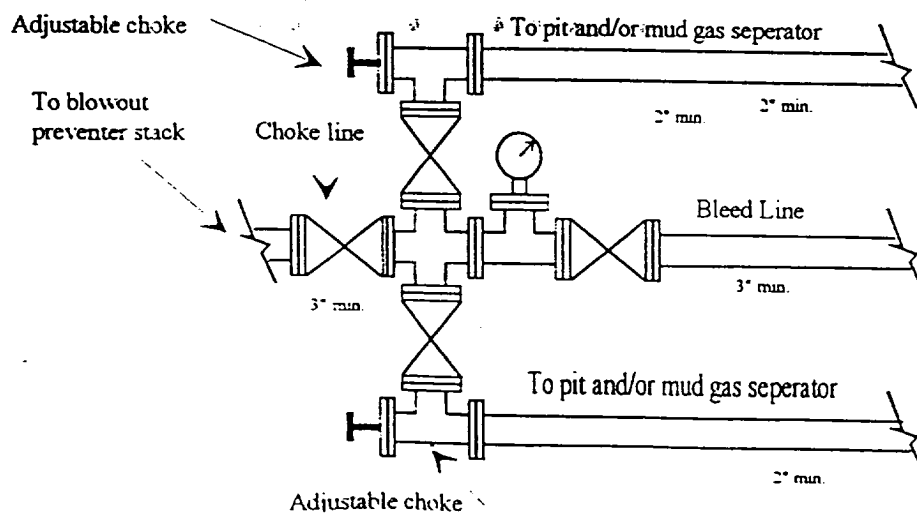
# Yates Petroleum Corporation

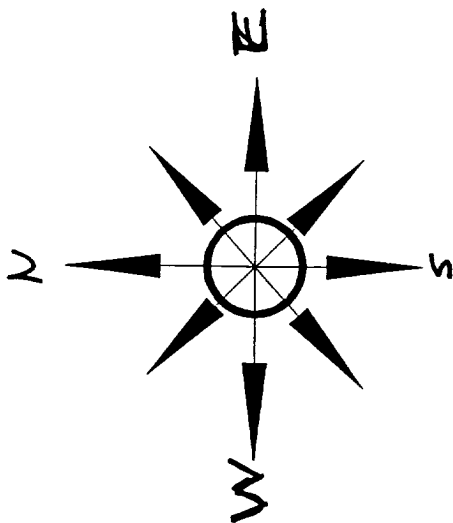
BOP-3

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



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





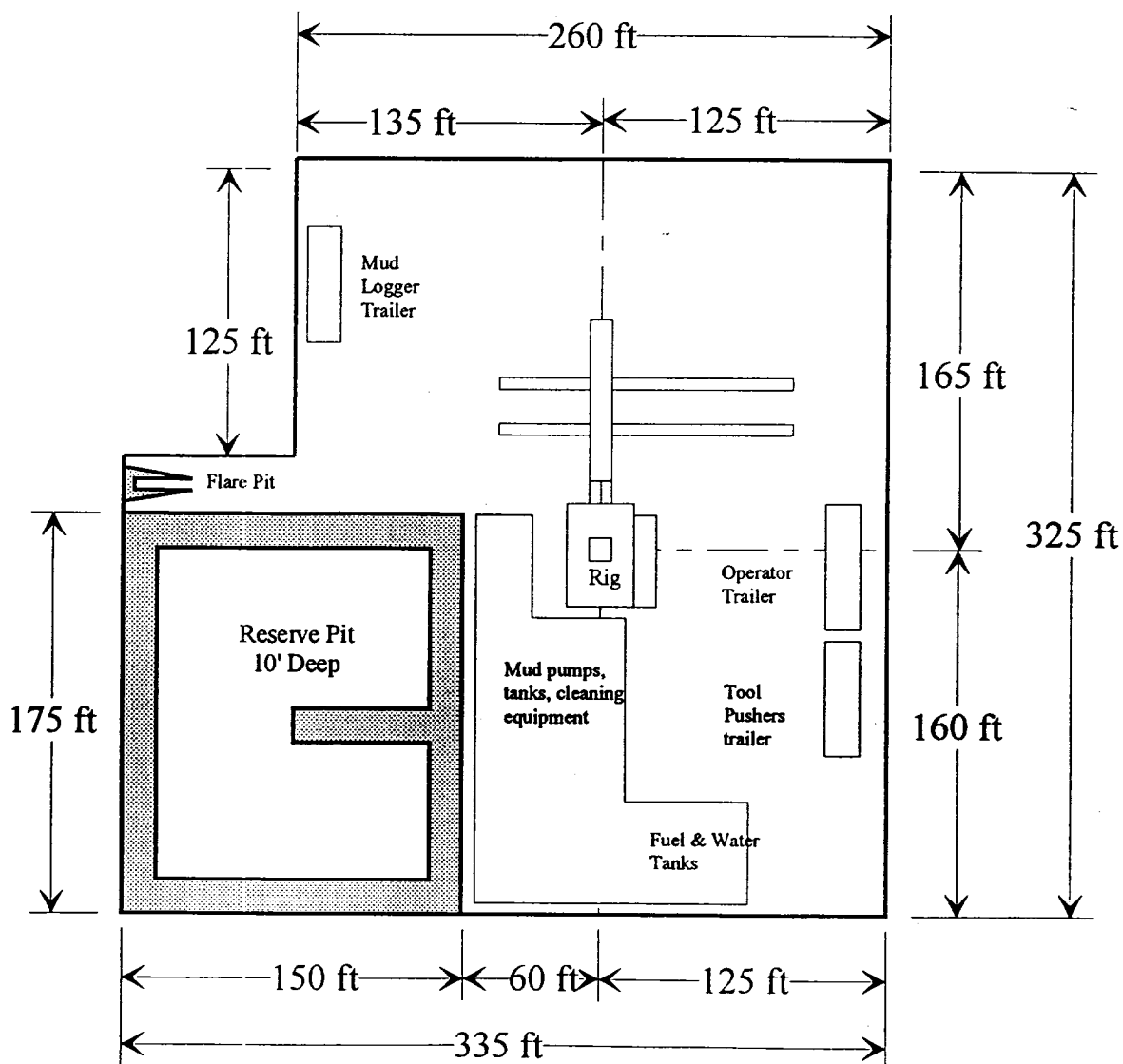
# YATES PETROLEUM CORPORATION

105 SOUTH 4TH STREET  
ARTESIA, NEW MEXICO 88210

PB - L1

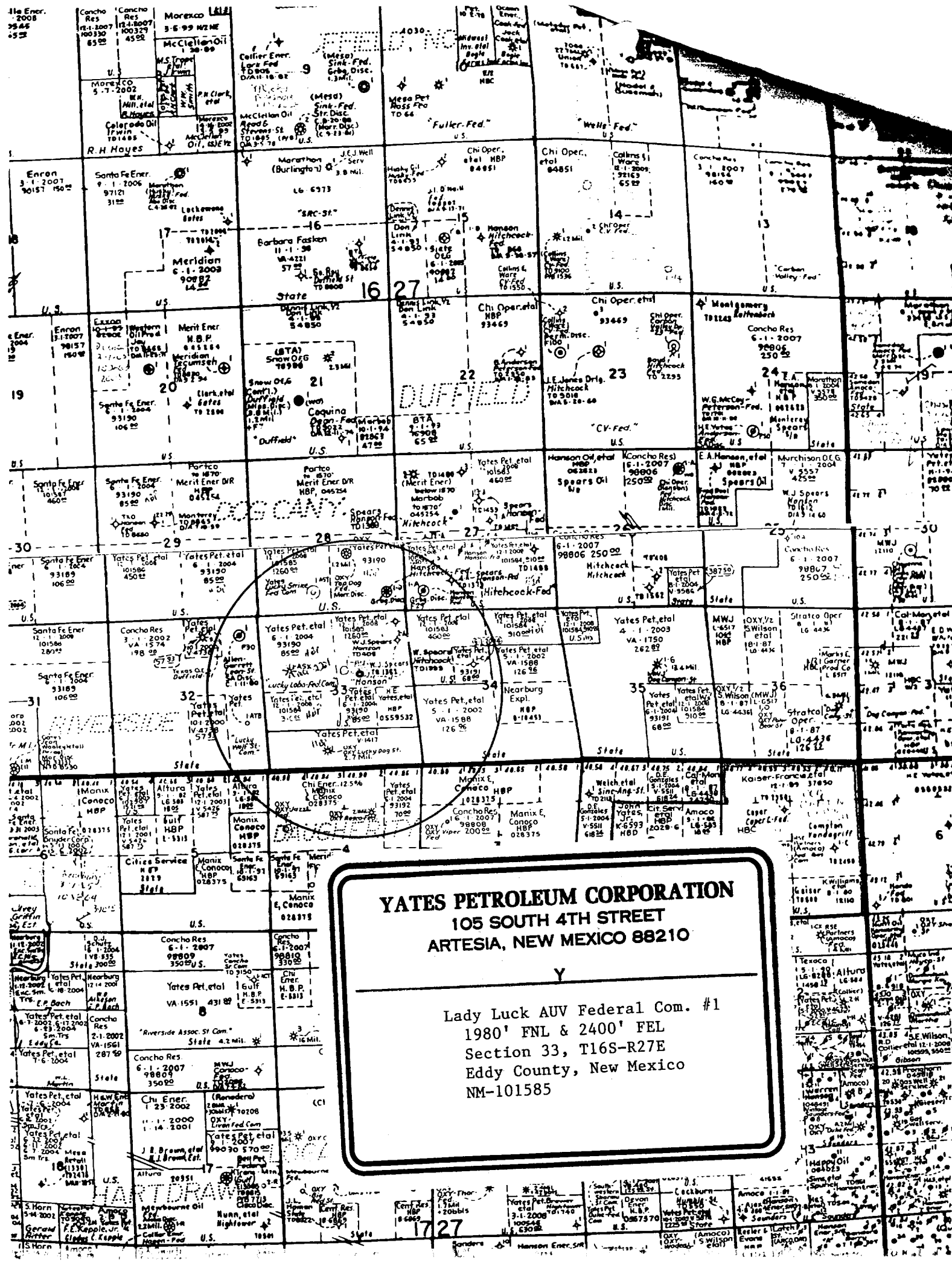
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Lady Luck AUV Federal Com. #1  
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Distance from Well  
Head to Reserve Pit  
will vary between rigs

The above dimension  
should be a maximum



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