

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

(505) 748-1471

3. ADDRESS AND TELEPHONE NO.

105 South 4th St., Artesia, NM 88210

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

At surface

660' FNL & 660' FEL

At proposed prod. zone

Same

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

24 air miles S of Farmington

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

N/A

19. PROPOSED DEPTH

1,200'

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

6,214' ungraded

12. COUNTY OR PARISH

San Juan

13. STATE

NM

17. NO. OF ACRES ASSIGNED TO THIS WELL

NE/4

160

20. ROTARY OR CABLE TOOL

Rotary

22. APPROX. DATE WORK WILL START*

On Approval

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	H-40 7"	17	120'	100 sacks. & to surface
6-1/4"	J-55 4-1/2"	10.5	1,200'	150 sacks & to surface

proposed to be drilled pursuant to 43 CFR 3105.9 and appeal pursuant to 43 CFR 3105.4.

SEE INSTRUCTIONS ON REVERSE SIDE FOR "GENERAL REQUIREMENTS"

cc: BIA, BLM, May, NAPI, OCD (via BLM), Tribe

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 prevention program, if any.

21

Consultant (505) 466-8120

10-15-01

SIGNED

TITLE

DATE

(This space for Federal or State official use)

PERMIT NO.

APPROVAL DATE

3/29/02

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 in accordance with the conditions of approval, if any.

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

NMDC

2001 OCT 17 PM 2:26

Form C - 102

☐ AMENDED REPORT

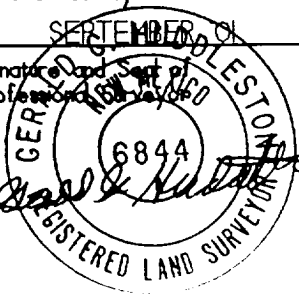
APA Number 30-045-30883	Pool Code 97201	WC 25N13W29; Pictured cliffs	
Property Code 29643	Property Name MONCISCO "AZZ" FEDERAL		Well Number 1
OPRD No. 25375	Operator Name YATES PETROLEUM CORPORATION		Elevation 6214'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Lk.	Feet from >	North/South	Feet from >	East/West	County
A	29	25-N.	13 W.		660'	NORTH	660'	EAST	SAN JUAN.

Bottom Hole Location If Different From Surface

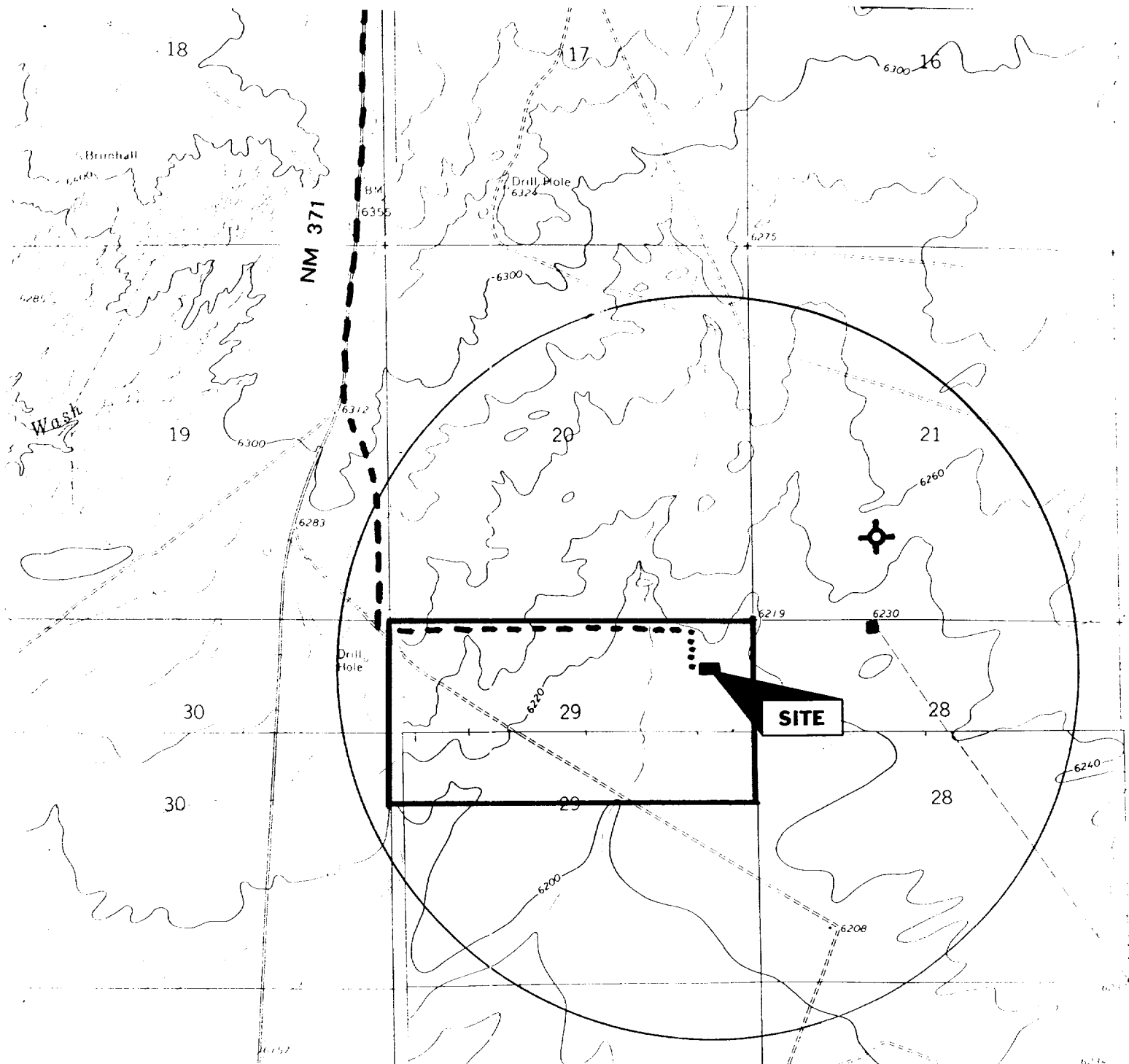
UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from >	North/South	Feet from >	East/West	County
Dedication	Joint ?		Consolidation		Order No.				

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>Brian Wood</i>
Printed Name	BRIAN WOOD
Title	CONSULTANT
Date	OCTOBER 15, 2001
SURVEYOR CERTIFICATION I hereby certify that the well location 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.	
Date of Survey	SEPTEMBER 01, 2001
Signature and Seal of Professional Surveyor	<i>David S. Kautsky</i> 

Yates Petroleum Corporation
Moncisco AZZ Federal #1
660' FNL & 660' FEL
Sec. 29, T. 25 N., R. 13 W.
San Juan County, New Mexico

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PROPOSED WELL: ■

WATER WELL: ●

P & A WELL: ⊕

NEW ROAD: - · -

EXISTING ROAD: - - -

LEASE BOUNDARY: —┐

PERMITS WEST INC.
PROVIDING PERMITS for LAND USERS

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Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Subsea Elevation</u>
Ojo Alamo Ss	000'	10'	+6,214'
Kirtland Sh	360'	370'	+5,854'
Fruitland Fm	760'	770'	+5,454'
Fruitland Coal	965'	975'	+5,249'
Pictured Cliffs Ss	1,015'	1,025'	+5,199'
Total Depth (TD)*	1,200'	1,210'	+5,014'

* all elevations reflect the ungraded ground level of 6,214'

2. NOTABLE ZONES

Oil & Gas Zones

Fruitland Coal
Pictured Cliffs

Water Zones

Ojo Alamo
Kirtland
Fruitland

Coal Zones

Fruitland

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

BOP systems will follow Onshore Order #2 and API RP 53. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet

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known. A typical model is on PAGE 3.

Maximum expected pressure is 500 psi. Will test annular preventer to 600 psi with rig pump. BOP controls will be installed before drilling the surface casing plugs and remain in use until the well is completed or abandoned. Once out from under the 7" surface casing, a minimum 2,000 psi BOP and choke manifold system will be used.

All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and operated at least daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out.

4. CASING & CEMENT

The casing program will be:

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft.)</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>GL Setting Depth</u>
8-3/4"	7"	17	H-40	LT&C	New	120'
6-1/4"	4-1/2"	10.5	J-55	LT&C	New	1,200'

Surface casing will be cemented to the surface with ≈ 100 sacks Class B + 1/4 pound per sack cello flake + 2% CaCl_2 . Yield = 1.18 cubic feet per sack. Weight = 15.6 pounds per sack.

Production casing will be cemented to the surface with ≈ 150 sacks Class B + 1/4 pound per sack cello flake + 2% CaCl_2 . Yield = 1.18 cubic feet per sack. Weight = 15.6 pounds per sack. Excess = 43%. Casing will be equipped with a guide shoe, float collar, and centralizers on joints 1, 3, 5, 7, and 9.