

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' FWL

At proposed prod. zone

Same

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

26 air miles S of Farmington

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. 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'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

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

6,288' ungraded

22. APPROX. DATE WORK WILL START*

On Approval

23. 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 -

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

SUBJECT TO COMPLIANCE WITH ATTACHED
"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 preventer program, if any.

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Consultant (505) 466-8120

10-24-01

SIGNED

TITLE

DATE

(This space for Federal or State office 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 thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30-065-30893	Pool Code 97200	Pool Name VHC 25N13W35^g Pictured Cliffs
Property Code 29642	Property Name HONE MESA "BAE" FEDERAL	Well Number 1
OGPD No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 6288'

Surface Location

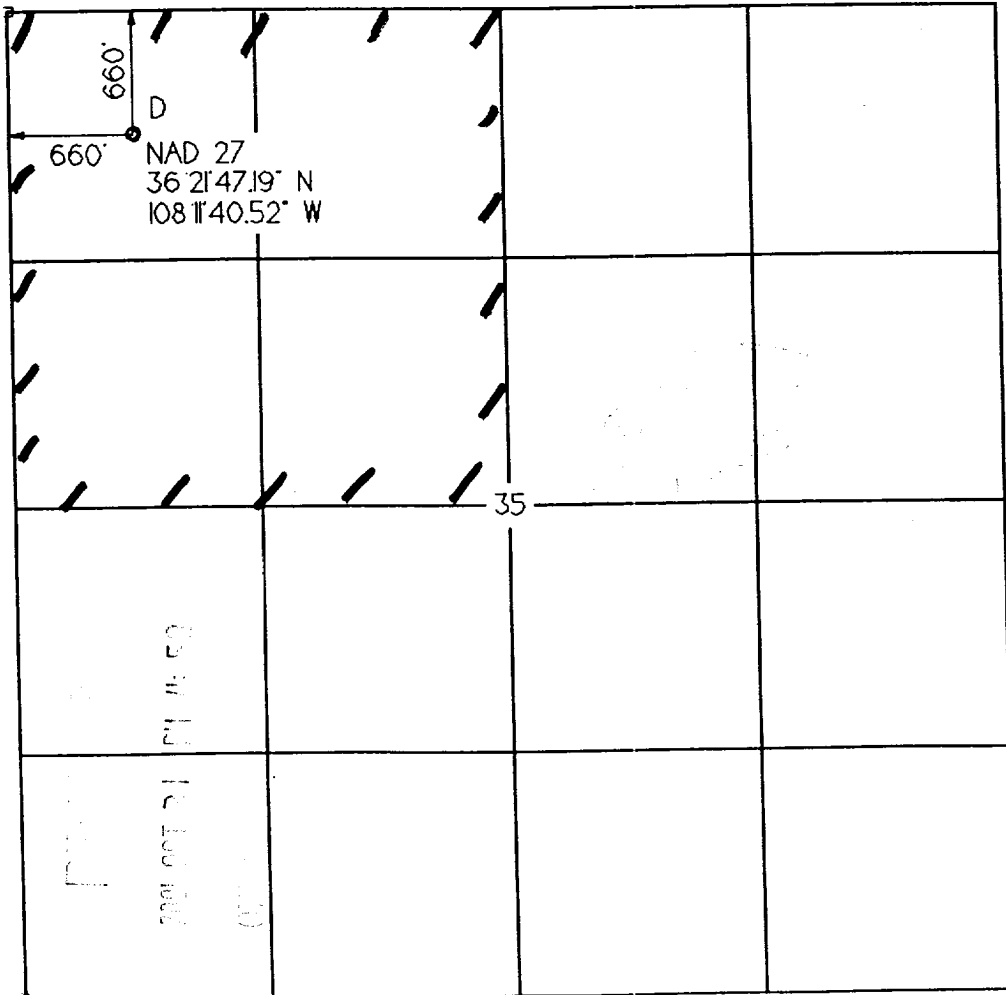
UL or Lot	Sec.	Twp.	Rge.	Lot Lth.	Feet from >	North/South	Feet from >	East/West	County
D	35	25 N.	13 W.		660'	NORTH	660'	WEST	SAN JUAN

Bottom Hole Location if Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Lth.	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

Brian Wood

Printed Name **BRIAN WOOD**

Title **CONSULTANT**

Date **OCTOBER 24, 2001**

SURVEYOR CERTIFICATION

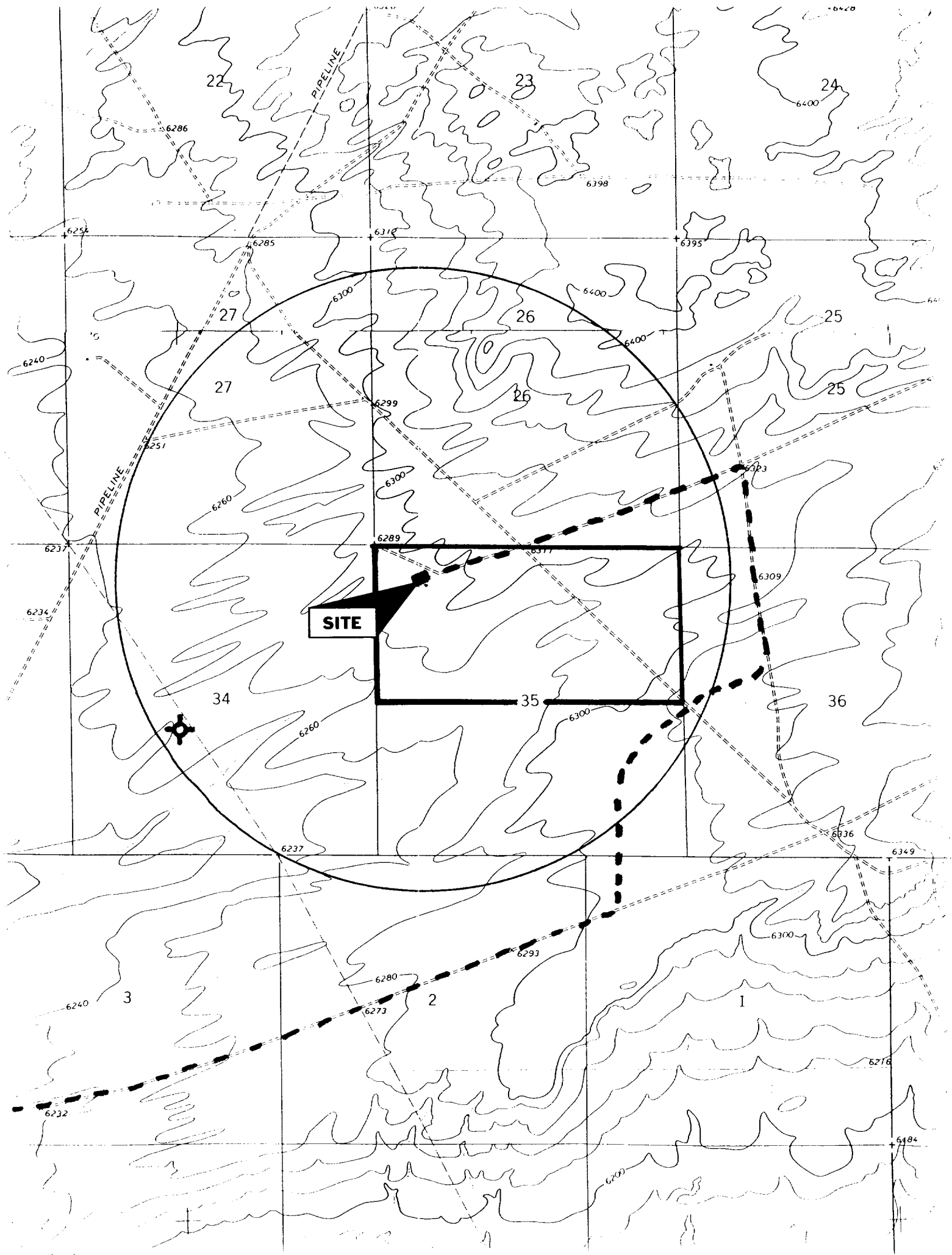
I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

SEPTEMBER 12, 2001

Signature and Seal of Professional Surveyor





Yates Petroleum Corporation
Hone Mesa "BAE" Federal #1
660' FNL & 660' FWL
Sec. 35, T. 25 N., R. 13 W.
San Juan County, New Mexico

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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'	+6,288'
Kirtland Sh	353'	363'	+5,935'
Fruitland Fm	753'	763'	+5,535'
Fruitland Coal	968'	978'	+5,320'
Pictured Cliffs Ss	1,018'	1,028'	+5,270'
Total Depth (TD)*	1,200'	1,210'	+5,088'

* all elevations reflect the ungraded ground level of 6,288'

2. NOTABLE ZONES

<u>Oil & Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland Coal	Ojo Alamo	Fruitland
Pictured Cliffs	Kirtland	
	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 known. A typical model is on PAGE 3.

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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.