

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

NOV 17 2005

ODD-ARTESIA

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. <b>NM-106906</b>
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>Not Applicable</b>
2. Name of Operator <b>Yates Petroleum Corporation 25575</b>		7. If Unit or CA Agreement, Name and No. <b>Not Applicable 28987</b>
3A. Address <b>105 South Fourth Street Artesia, New Mexico 88210</b>	3b. Phone No. (include area code) <b>76542 (505) 748-1471</b>	8. Lease Name and Well No. <b>Applesauce AZR Federal #1</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>500' FNL and 990' FWL, Unit D</b> At proposed prod. Zone <b>same as above</b>		9. API Well No. <b>30 - 005 - 62532</b>
14. Distance in miles and direction from nearest town or post office* <b>Approximately twenty-five (25) miles northeast of Roswell, New Mexico</b>		10. Field and Pool, or Exploratory <b>Pennsylvanian WC GRANITE</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in lease <b>1040</b>	11. Sec., T., R., M., or Blk. and Survey or Area <b>Section 25, T11S-R27E</b>
18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>6865'</b>	12. County or Parish <b>Chaves County</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3754'</b>	22. Approximate date work will start* <b>ASAP</b>	13. State <b>NM</b>
23. Estimated duration <b>30 Days</b>		

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 office. |

25. Signature 	Name (Printed/Typed) <b>Robert Asher</b>	Date <b>10/7/2005</b>
---	---	--------------------------

Title: <b>Regulatory Agent / Land Department</b>		
Approved by (Signature) <b>/S/LARRY D. BRAY</b>	Name (Printed/Typed) <b>/S/LARRY D. BRAY</b>	Date <b>NOV 16 2005</b>
Title <b>REGULATORY AGENT</b>	Office <b>ROSWELL FIELD OFFICE</b>	<b>APPROVED FOR 1 YEAR</b>

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.

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)

**C-144 Attached Previously Approved**

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS ATTACHED**

## EXHIBIT A

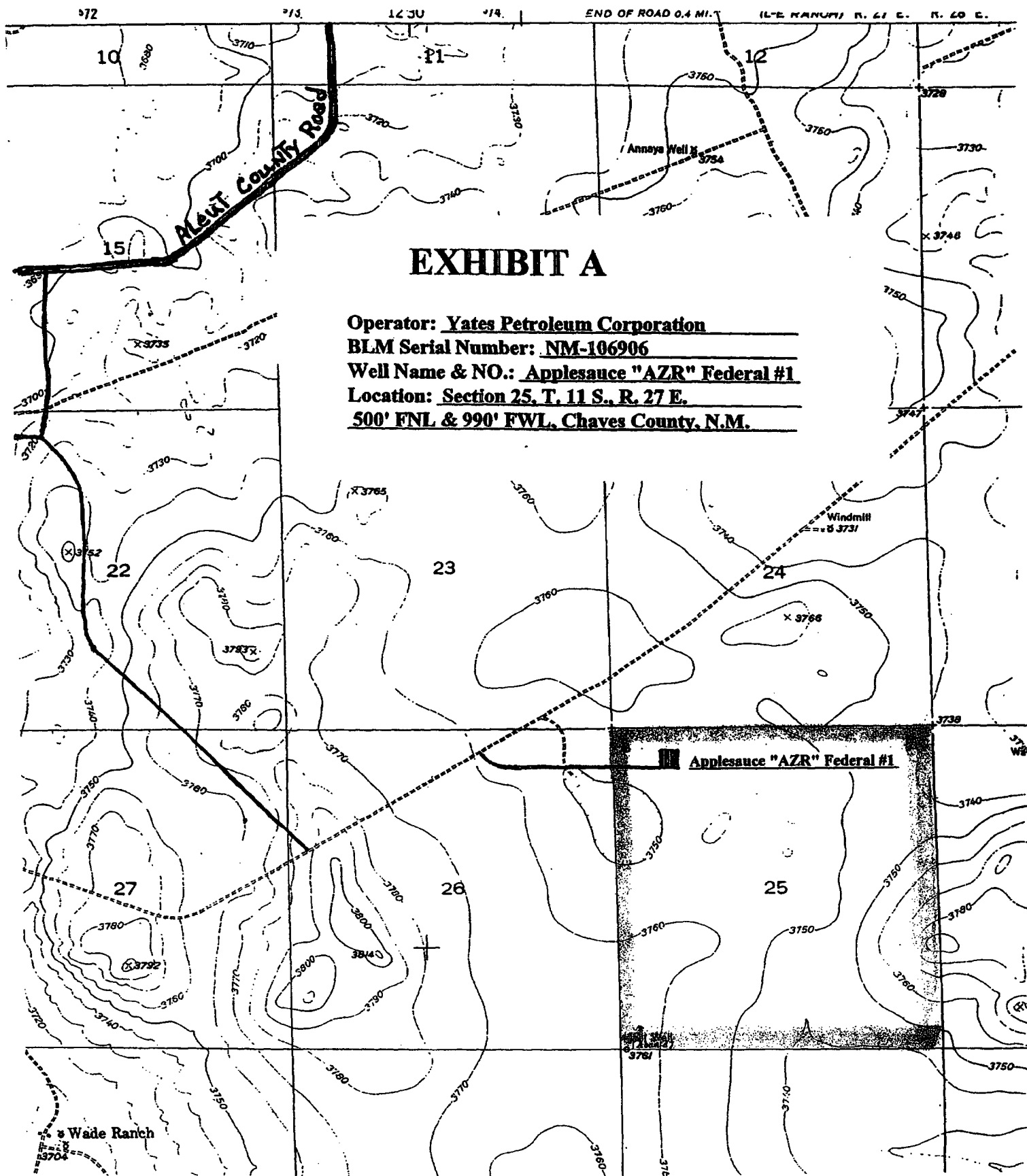
Operator: Yates Petroleum Corporation

BLM Serial Number: NM-106906

Well Name & NO.: Applesauce "AZR" Federal #1

Location: Section 25, T. 11 S., R. 27 E.

500' FNL & 990' FWL, Chaves County, N.M.



**YATES PETROLEUM CORPORATION**  
**Applesauce AZR Federal #1**  
500' FNL and 990' FWL  
Section 25-T11S-R27E  
Chaves County, New Mexico

Yates Petroleum Corporation plans to re-enter this well originally drilled by Maxus Exploration Company as the Newkumet Federal #1 and abandoned August 25, 1987. Yates' plan is to re-enter the well with a pulling unit to drill out the cement plugs in the 8 5/8" casing and in the 7 7/8" open hole down to the original TD of 6,865'. The hole will be circulated clean then a string of 4 1/2" casing will be run to TD and cemented to 4000' +/- . The well will be completed with a pulling unit and the formations to be completed will probably be the Penn Sand at 6,600', the Cisco at 6,310' or the Wolfcamp at 6,090'.

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

San Andres	1483'
Glorieta	2680'
Tubb	4147'
Abo	4921'
Wolfcamp	5243'
Penn	6353'
Mississippian	6600'
Devonian	6800'
TD	6865'

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

Water: 150'-500'  
Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" 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>Coupling</u>	<u>Interval</u>
17 1/2	13 3/8"	48#	H-40	ST&C	0-389'
12 1/4"	8 5/8"	24#	K-55	ST&C	0-1840'
7 7/8"	4 1/2"	11.60#	N-80	LT&C	0-6865'

**1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8**

- A. CEMENTING PROGRAM:**  
Surface Casing: 420 sx in place  
Intermediate Casing: 580 sx in place  
Production Casing: 1,000 sx. TOC 4000'.

**5. MUD PROGRAM AND AUXILIARY EQUIPMENT:**

This well will be drilled with a brine system.

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: CNL/LDT, W/NGT TD-Surf csg; with CNL/GR up to Surf; DLL/MS  
FL TD-Surf csg: BHC Sonic TD-SURF CSG  
Coring: None  
DST's: As warranted.

**7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:**

Anticipated BHP:  
From: 0 TO: 900' Anticipated Max. BHP: 375 PSI  
From: 900' TO: 6865' Anticipated Max. BHP: 2500 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 110 F

**8. ANTICIPATED STARTING DATE:**

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 25 days to drill the well with completion taking another 20 days.

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**  
**Applesauce AZR Federal #1**  
**500' FNL and 990' FWL**  
**Section 25-T11S-R27E**  
**Chaves 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 25 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

**DIRECTIONS:**

Go east of Roswell on Highway 380 approx. 16 miles to Aleut Road. Turn right (South) and drive approx. 5.9 miles on main rd. (Continue south past Rock House Ranch sign.) Turn left (East) on lease road in front of Cooper Cattle Company sign and gate. Drive east approximately 0.8 of a mile (past dirt pit). Continue East at intersection. Drive approx. 0.6 of a mile to gate. Pass gate and drive on road approx. 0.7 of a mile to the Southwest corner of the location.

**2. PLANNED ACCESS ROAD:**

No new access road needed since there is an existing road to the location.

**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:**

Dirt contractor will locate nearest pit and obtain any permits and materials needed for construction.

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: 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.

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:        Thomas S. Cooper  
   Las Cruces, New Mexico

A surface agreement has been reached with Mr. Cooper

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.

**N MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

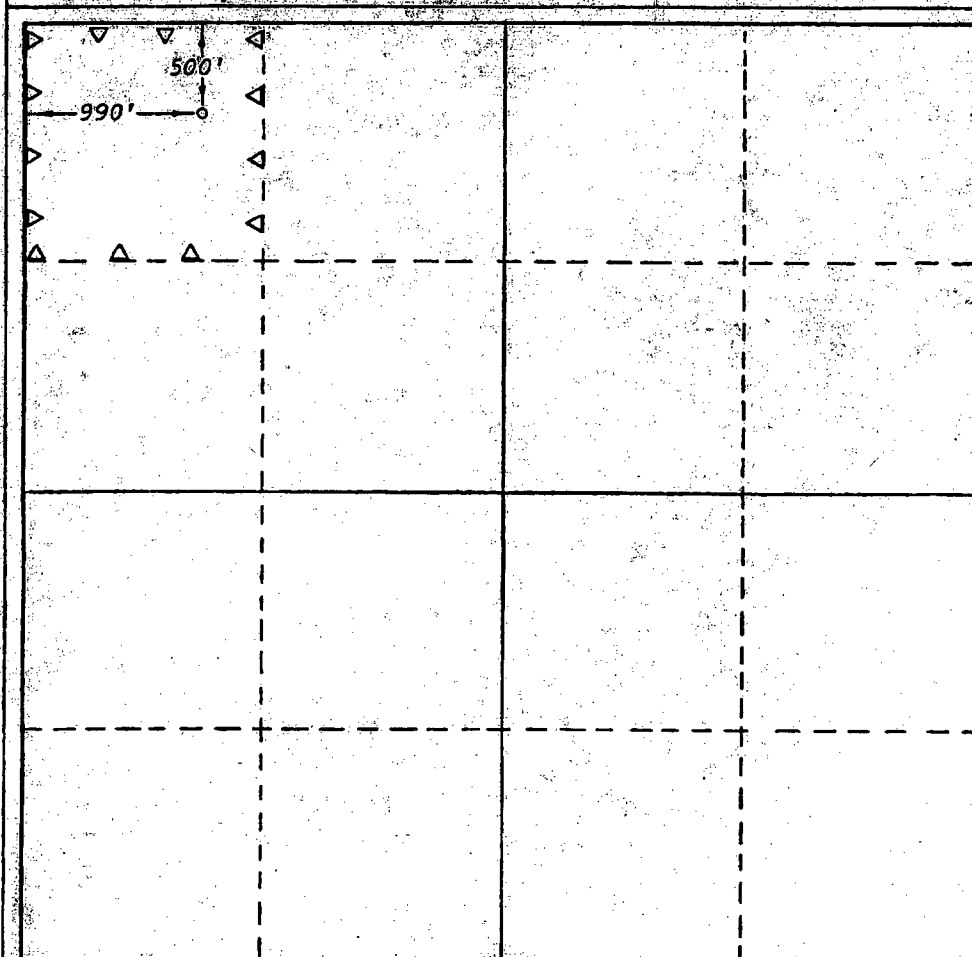
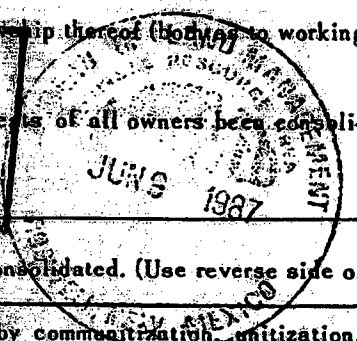
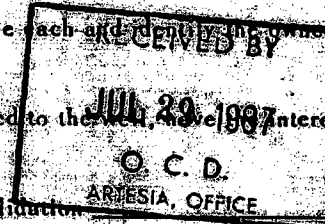
Operator <b>MAXUS EXPLORATION CO.</b>			Lease <b>Federal-New Kumet</b>		Well No. <b>1 66860</b>
Unit Letter <b>D</b>	Section <b>25</b>	Township <b>11-S</b>	Range <b>27-E</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>500</b> feet from the <b>North</b> line and <b>990</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3754'</b>	Producing Formation <b>Lower Permian</b>		Pool <b>1</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 denote the ownership thereof (holding to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*James M. Pachulski*  
Name

**James M. Pachulski**  
Position **Sr. Environmental & Regulation Engineer**

Company  
**Maxus Exploration Company**

Date  
**June 5, 1987**

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  
**June 1, 1987**

Registered Professional Engineer and/or Land Surveyor

*Gary D. Baswell*  
Certificate No.

**6689**

## District I

1625 N. Finch Dr., Hobbs, NM 88240

## District II

811 South First, Artesia, NM 88210

## District III

1000 Rio Brazos Rd., Aztec, NM 87410

## District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

Form C-102

Revised August 15, 2000

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies



AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name <del>Pennsylvania</del> <b>WC GRANITE</b>	
4 Property Code		5 Property Name <b>Applesauce AZR Federal</b>			6 Well Number <b>1</b>
7 OGRID No. <b>025575</b>		8 Operator Name <b>Yates Petroleum Corporation</b>			9 Elevation <b>3754'</b>

## 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>25</b>	<b>11S</b>	<b>27E</b>		<b>500'</b>	<b>North</b>	<b>990'</b>	<b>West</b>	<b>Chaves</b>

## 11 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
12 Dedicated Acres <b>320</b>		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <b>Robert Asher</b> Printed Name <b>Regulatory Agent</b> Title <b>09/08/2003</b> Date
			NM-106906	
				<b>18 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. <b>REFER TO ORIGINAL PLAT</b> Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Albuquerque, NM 88210

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter 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, NM 88210

3b. Phone No. (include area code)  
(505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
500' FNL and 990' FWL, Unit D  
Section 25, T11S-R27E

5. Lease Serial No.  
NM-106906  
6. If Indian, Allottee or Tribe Name  
Not Applicable  
7. If Unit or CA/Agreement, Name and/or  
Not Applicable  
8. Well Name and No.  
Applesauce AZR Federal #1  
9. API Well No.  
30-005-62532  
10. Field and Pool, or Exploratory Area  
Pennsylvanian  
11. County or Parish, State  
Chaves County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Extend
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> APD
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (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 November 07, 2005.

A drilling pit will be constructed at this well site under Yates Petroleum Corporation general plan approved by the OCD.

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Strawn formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

The State Engineers Web Site has been accessed for the captioned well. There were no records found of ground water depth, water well, or any indication of any surface water in the area surrounding this well location.

Thank you.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Debbie L. Caffall email: debbiec@ypcnm.com

Title

Regulatory Technician / Land Department

Signature

*Debbie L. Caffall*

Date

October 7, 2004

Approved by

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.

Title

Office

Date

11/3/04

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

**DISTRICT II**

611 South First, Artesia, NM 88210

**DISTRICT III**

1808 Elia Brown Rd., Aztec, NM 87410

**DISTRICT IV**

2040 South Pacheco, Santa Fe, NM 87505

**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
			Pennsylvanian
Property Code	Property Name		Well Number
	Applesauce "AZR" Federal		#1
OCED No.	Operator Name		Elevation
025575	YATES PETROLEUM CORPORATION		3754'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South Line	Feet from the	East/West Line	County
D	25	11S	27E		500'	North	990'	West	Chaves

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South Line	Feet from the	East/West Line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

**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>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Pat Perez</u> Signature Pat Perez Printed Name Regulatory Agent Title 9-11-01 Date	
	<b>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. Date Surveyed Signature & Seal of Professional Surveyor Refer to original plat-attached. Certificate No. Herschel L. Jones RLS 3640 GENERAL SURVEYING COMPANY	

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

District II  
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

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

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name <b>Pennsylvania</b>	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>Applesauce AZR Federal</b>			<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>025575</b>		<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>			<sup>9</sup> Elevation <b>3754'</b>

<sup>10</sup> Surface Location

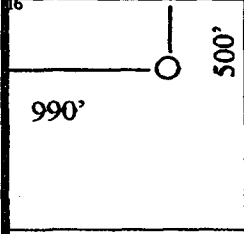
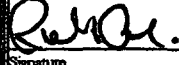
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>25</b>	<b>11S</b>	<b>27E</b>		<b>500'</b>	<b>North</b>	<b>990'</b>	<b>West</b>	<b>Chaves</b>

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

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

<sup>16</sup> 					<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <b>Robert Asher</b> Printed Name <b>Regulatory Agent</b> Title <b>09/08/2003</b> Date
					<sup>18</sup> 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 belief. <b>REFER TO ORIGINAL PLAT</b> Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

RECEIVED

NOV 12 2003

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. <b>NM-106906</b>
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>Not Applicable</b>
2. Name of Operator <b>Yates Petroleum Corporation</b>		7. If Unit or CA Agreement, Name and No. <b>Not Applicable</b>
3A. Address <b>105 South Fourth Street Artesia, New Mexico 88210</b>	3b. Phone No. (include area code) <b>(505) 748-1471</b>	8. Lease Name and Well No. <b>Applesauce AZR Federal #1</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>500' FNL and 990' FWL, Unit D</b> At proposed prod. Zone <b>same as above</b>		9. API Well No. <b>30-005-62532</b>
14. Distance in miles and direction from nearest town or post office* <b>Approximately twenty-five (25) miles northeast of Roswell, New Mexico</b>		10. Field and Pool, or Exploratory <b>Pennsylvanian</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in lease <b>1040</b>	11. Sec., T., R., M., or Blk. and Survey or Area <b>Section 25, T11S-R27E</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>6865'</b>	12. County or Parish <b>Chaves County</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3754'</b>	22. Approximate date work will start* <b>ASAP</b>	13. State <b>NM</b>
23. Estimated duration <b>30 Days</b>		

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 office. |

25. Signature 	Name (Printed/Typed) <b>Robert Asher</b>	Date <b>9/8/03</b>
Title: <b>Regulatory Agent</b>		
Approved by (Signature) 	Name (Printed/Typed) <b>LARRY D. BRAY</b>	Date <b>NOV 8 7 2003</b>
Title <b>Assistant Field Manager, Lands And Minerals</b>	Office <b>ROSWELL FIELD OFFICE</b>	

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.

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)

NSL

APPROVED FOR 1 YEAR

Form 3160-5  
(August 1999)

SEP 2002

RECEIVED  
OCD - ARTESIA

N.M. Oil Cons. DIV-Dist. 2  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
301 W. Grand Avenue  
Artesia, NM 88210

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

CLSI

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter 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, NM 88210

3b. Phone No. (include area code)

(505) 748-1471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

500' FNL and 990' FWL, Unit D  
Section 25, T11S-R27E

5. Lease Serial No.

NM-106906

6. If Indian, Allottee or Tribe Name

Not Applicable

7. If Unit or CA/Agreement, Name and/o

Not Applicable

8. Well Name and No.

Applesauce "AZR" Federal #1

9. API Well No.

30-005-62532

10. Field and Pool, or Exploratory Area

Pennsylvanian

11. County or Parish, State

Chaves County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Extend
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	APD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (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 recompletion 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 October 23, 2003.

Thank you.

APPROVED FOR 12 MONTH PERIOD  
ENDING Oct. 23, 2003

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Robert Asher

Title

Regulatory Technician

Signature

*Robert Asher*

Date

September 16, 2002

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

*GH*

Title

PE

Date

10/03/02

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

RFC

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



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**

Governor

**Jennifer A. Salisbury**

Cabinet Secretary

November 6, 2001

**Lori Wrotenberg**

Director

**Oil Conservation Division**

**Yates Petroleum Corporation**

**105 South Fourth Street**

**Artesia, New Mexico 88210**

**Attention: Chuck Moran**

*cmoran@ypcnm.com*

**Telefax No. (505) 748-4572**



**Administrative Order NSL-4663**

Dear Mr. Moran:

Reference is made to the following: (i) your application dated September 5, 2001 (*application reference No. pKRV0-125449296*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Yates Petroleum Corporation's ("Yates") request for a non-standard gas well location to be applicable to any and all formations and/or pools from the surface to the base of the Strawn formation that are developed on 320-acre spacing and governed under the provisions of Division Rule 104.C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999. The N/2 of Section 25, Township 11 South, Range 27 East, NMPM, Chaves County, New Mexico is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit.

This unit is to be dedicated to the plugged and abandoned Maxus Exploration Company Newkumet Federal Well No. 1 (API No. 30-005-62532), to be redesignated the Applesauce "AZR" Federal Well No. 1, located 500 feet from the North line and 990 feet from the West line (Unit D) of Section 25.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

From the Division's records, this well originally drilled to a total depth of 6,865 feet to test the Devonian formation at a standard oil well location within a standard 40-acre oil spacing and proration unit comprising the NW/4 NW/4 (Unit D) of Section 25 in August, 1987. Also, in August, 1987 this well was plugged and abandoned.

It is our understanding that Yates now intends to reenter this well to a new plug-back depth sufficient to test down to the Strawn formation for gas.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location within this standard 320-acre gas spacing unit comprising the N/2 of Section 25 for gas production spaced on 320 acres from the surface to the base of the Strawn formation is hereby approved.

Administrative Order NSL-4663

Yates Petroleum Corporation

November 6, 2001

Page 2

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Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery / LW/MES".

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia /  
U. S. Bureau of Land Management - Roswell

N MEXICO OIL CONSERVATION COM      ON  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-  
Effective 1-1-

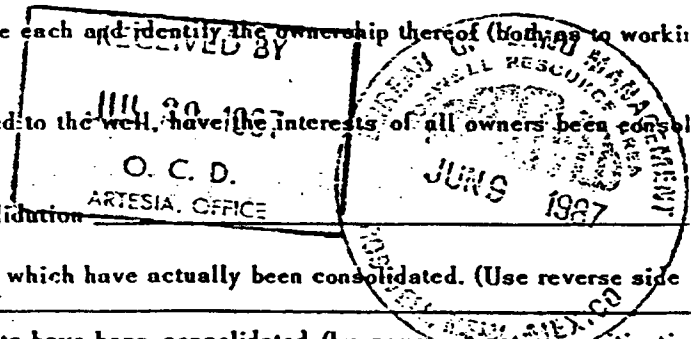
All distances must be from the outer boundaries of the Section.

Operator <b>MAXUS EXPLORATION CO.</b>			Lease <b>Federal-New Kumet Fed.</b>		Well No. <b>1</b> <del>68860</del>
Unit Letter <b>D</b>	Section <b>25</b>	Township <b>11-S</b>	Range <b>27-E</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>500</b> feet from the <b>North</b> line and <b>990</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3754'</b>	Producing Formation <b>Devonian</b>		Pool <b>Wildcat Devonian</b>		Dedicated Acreage: <b>40</b> <small>Ac</small>

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 (holding to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 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 interests, has been approved by the Commission.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*James M. Pachulski*  
Name

**James M. Pachulski**

Position **Sr. Environmental & Regulation Engineer**

Company  
**Maxus Exploration Company**

Date  
**June 5, 1987**

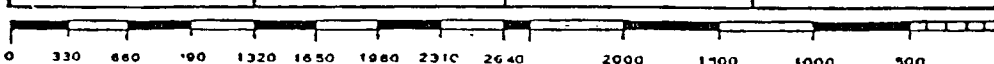
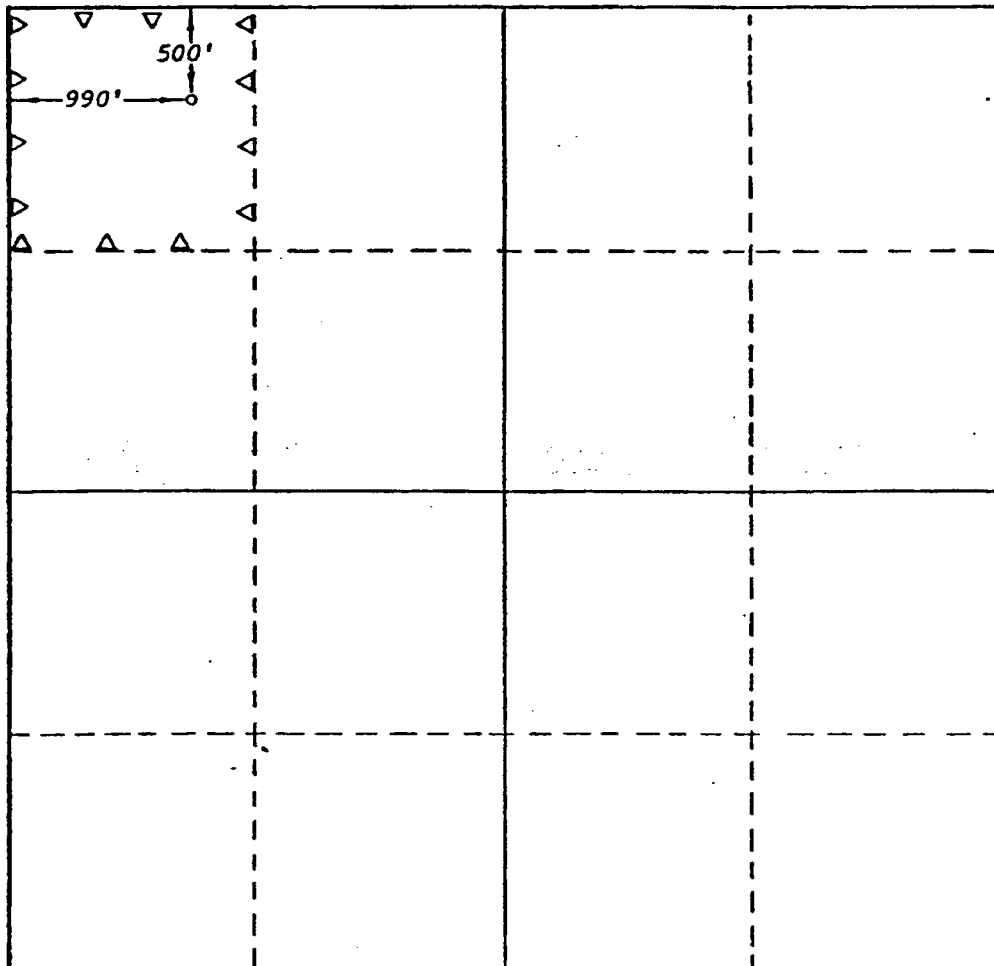
I hereby certify that the well location shown on this plat was plotted from the notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**June 1, 1987**

Registered Professional Engineer and/or Land Surveyor

*Gary D. Basore*  
Certificate No.

**6689**





## DISTRICT I

1685 N. French Dr., Hobbs, NM 88240

## DISTRICT II

811 South First, Artesia, NM 88210

## DISTRICT III

1000 Rio Grande Rd., Aztec, NM 87410

## DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

## 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 Pennsylvanian
Property Code	Property Name Applesauce "AZR" Federal	Well Number #1
OCED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3754'

## Surface Location

UL or Lot No.	Section	Township	Range	Lot Ltn	Feet from the	North/South line	Feet from the	East/West line	County
D	25	11S	27E		500'	North	990'	West	Chaves

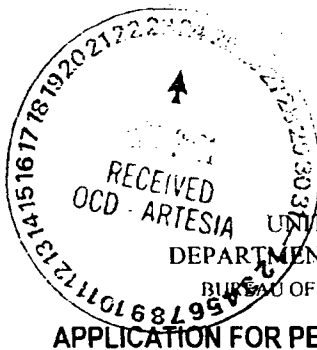
## Bottom Hole Location if Different From Surface

UL or Lot No.	Section	Township	Range	Lot Ltn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Pat Perez</u> Signature <u>Pat Perez</u> Printed Name <u>Regulatory Agent</u> Title <u>9-11-01</u> Date	
	<b>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. Date Surveyed Signature & Seal of Professional Surveyor Refer to original plat-attached. Certificate No. Herschel L. Jones RLS 3640 GENERAL SURVEYING COMPANY	

Form 3160-3  
(August 1999)



N.M. Oil Cons. Div-Dist.  
1301 W. 3rd St.  
Artesia, NM 88210

C1917

OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No.  
**NM-106906**  
6. If Indian, Allottee or Tribe Name  
**Not Applicable**  
7. If Unit or CA Agreement, Name and No.  
**Not Applicable**

8. Lease Name and Well No.  
**Applesauce "AZR" Federal #1**

9. API Well No.  
**62532**  
**30-005-1134B4**

10. Field and Pool, or Exploratory  
**Pennsylvanian**

11. Sec., T., R., M., or Blk, and Survey or Area  
**Section 25, T11S-R27E**

12. County or Parish  
**Chaves 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 **500' FNL and 990' FWL, Unit D**  
At proposed prod. Zone **same as above**

14. Distance in miles and direction from nearest town or post office\*  
**Approximately twenty-five (25) miles northeast of Roswell, New Mexico**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)

16. No. of Acres in lease  
**1040**

17. Spacing Unit dedicated to this well  
**320 - N/2**

18. Distance from proposed\* location to nearest well, drilling, completed, applied for, on this lease, ft.

19. Proposed Depth  
**6865'**

20. BLM/BIA Bond No. on file  
**NM-2811**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**3754'**

22. Approximate date work will start\*  
**ASAP**

23. Estimated duration  
**30 Days**

24. Attachments **ROSWEI 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  
**New Mexico Fed #1**
2. A Drilling Plan.  
**PPA 447-88**  
**OTD 6785**
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.

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).  
**OIL APE 30-005-**
5. Operator certification.  
**Cancel -> 62532**
6. Such other site specific information and/or plans as may be required by the authorized office.  
**Use NEW ONE**

25. Signature **Pat Perez** Name (Printed/Typed) **Pat Perez** Date **9/11/01**

Title: **Regulatory Agent**

Approved by (Signature) \_\_\_\_\_ Name (Printed/Typed) \_\_\_\_\_ Date **OCT 23 2001**

Title **Acting** Office **ROSWEI FIELD OFFICE** **APPROVED FOR 1 YEAR**

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.

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

**Standard Location**

(November 1984)  
(Formerly 9-331)

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Cons. Commission  
Drawer DD

LEASE DESIGNATION AND SERIAL  
NM 68860

clsf

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER Dry Hole MAY 13 8 25 AM '88  
2. NAME OF OPERATOR MAXUS EXPLORATION COMPANY  
3. ADDRESS OF OPERATOR P.O. Box 10397  
Midland, TX 79702  
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.  
See also space 17 below.)  
At surface  
500' FNL & 990' FWL  
14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
3754' GL

5. LEASE DESIGNATION AND SERIAL  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
7. UNIT AGREEMENT NAME  
8. FARM OR LEASE NAME  
Newkumet Federal  
9. WELL NO.  
1  
10. FIELD AND POOL OR WILDCAT  
Wildcat  
11. SEC., T., R., OR BLK. AND SURVEY OR AREA  
Sec. 25, T11S, R27E  
12. COUNTY OR PARISH  
Chaves  
13. STATE  
New Mexico

RECEIVED  
OCT 1 1992  
O. C. D.  
ARTESIA OFFICE

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	<input type="checkbox"/>	WATER SHUT-OFF	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	(Other) Final Abandonment Notice	<input checked="" type="checkbox"/>
(Other)	<input type="checkbox"/>	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Fully state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

04-14-88 Surface reclamation complete and ready for inspection. Reclamation performed in accordance with operator-landowner agreement.

18. I hereby certify that the foregoing is true and correct

SIGNED Craig Mickleberry TITLE Sr. Drilling Engineer DATE 05-12-88

(This space for Federal or State office use)

APPROVED BY Charles H. [Signature] TITLE Mineral Chief DATE 9/25/92

CONDITIONS OF APPROVAL, IF ANY:

\*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.

Form 1160-5  
(November 1983)  
NM Oil Cons. Comm.  
Drawer DD  
Artesia, NM 88210

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate  
(Other instructions on reverse side)

Expires August 31, 1985  
LEASE DESIGNATION AND SERIAL  
NM 68860

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different formation. Use "APPLICATION FOR PERMIT" for such proposals.)

RECEIVED

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐  
2. NAME OF OPERATOR MAXUS EXPLORATION COMPANY  
3. ADDRESS OF OPERATOR P.O. Box 10397, Midland, TX 79702  
4. LOCATION OF WELL (Report location clearly and to accordance with any State requirements. See also space 17 below.)  
At surface  
500' FNL & 990' FWL

SEP 24 '87

O.C.D.  
ARTESIA OFFICE

W.D.

7. UNIT AGREEMENT NAME  
8. FARM OR LEASE NAME Federal-Newkumet Fel.  
9. WELL NO. 1  
10. FIELD AND POOL OR WILDCAT Wildcat - New.  
11. SEC., T., R., M., OR BLE. AND SUBSTY OR AREA Sec. 25, T-11S, R-27E  
12. COUNTY OR PARISH Chaves  
13. STATE New Mexico

14. PERMIT NO.  
15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
3754 GL

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO

TEST WATER SHUT-OFF ☐  
FRACTURE TREAT ☐  
SHOOT OR ACIDIZE ☐  
REPAIR WELL ☐  
(Other) ☐  
PULL OR ALTER CASING ☐  
MULTIPLE COMPLETE ☐  
ABANDON ☐  
CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐  
FRACTURE TREATMENT ☐  
SHOOTING OR ACIDIZING ☐  
(Other) ☐  
REPAIRING WELL ☐  
ALTERING CASING ☐  
ABANDONMENT ☒

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

08-09-87 - 08-21-87 Drill to 6865' with 10.1 ppg brine gel  
08-21-87 - 08-22-87 Logged well by Schlumberger. Ran CNL-DLL w/MSFL & FDC/Dipmeter.  
08-22-87 - 08-24-87 WOO  
08-24-87 Ran Schlumberger RFT. Samples @ 6805'-6808'-6811'-6817'-6825'  
08-24-87 - 08-25-87 P&A well. Spot plugs by Dowell as follows:  
2800'-2700' 45 sx  
1890'-1790' 43 sx  
440'-340' 28 sx  
surface 14 sx  
6535'-6385' 59 sx  
5000'-4900' 38 sx

Post ID-2  
9-8-89  
P & A

Class "A" pozmix cmt. wt. 14.8 ppg yield 1.26 ft<sup>3</sup>/sk.  
ND BOP. Cut off csg. head. Weld on plate. Install dry hole marker.

Rig released @ 6:00 p.m. 08-25-87

18. I hereby certify that the foregoing is true and correct

SIGNED Craig Mickleberry  
(This space for Federal or State office use)

TITLE Senior Drilling Engineer

DATE 09-02-87

APPROVED BY  
CONDITIONS OF APPROVAL, IF ANY:

TITLE

Approved as to plugging of the well bore.  
Liability under bond is retained until  
surface restoration is completed.

APPROVED  
PETER W. CHESTER

SEP 18 1987

DATE

\*See Instructions on Reverse Side

BUREAU OF LAND MANAGEMENT  
ROSOWELL RESOURCE AREA

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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Artesia, NM 88210

SUBMIT IN DUPLICATE  
NM 011 Cons. Comm. (See other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

LEASE DESIGNATION AND SERIAL NO.

NM 68860

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Newkumet Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT,

Wildcat *Durham*

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 25, T-11-S, R-27-E

12. COUNTY OR PARISH  
Chaves

13. STATE  
New Mexico

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☒ Other

b. TYPE OF COMPLETION:  
NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. ENV. ☐ Other **SEP - 1 '89**

2. NAME OF OPERATOR

MAXUS EXPLORATION COMPANY

O. C. D.  
ARTESIA, OFFICE

3. ADDRESS OF OPERATOR

P. O. Box 10397, Midland, Texas 79702

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

At surface 500' FNL and 990' FWL

At top prod. interval reported below

At total depth

14. PERMIT NO. DATE ISSUED  
None Assigned 7-24-87

15. DATE SPUDDED 8-5-87 16. DATE T.D. REACHED 8-21-87 17. DATE COMPL. (Ready to prod.) P&A 8-25-87 18. ELEVATIONS (OF. RKB, RT. GR, ETC.)\* 3754 GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 6865' TD 21. PLUG BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY ROTARY TOOLS X CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* None 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN

CNL-DIL w/MSFL, FDC/Dipmeter, RFT

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	389'	17-1/2"	Circ. to Surface	
8-5/8"	24#	1840'	12-1/4"	Circ. to Surface	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					NONE		

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
NONE	

33.\* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping size and type of pump)	WELL STATUS (Producing or shut-in)
DATE OF TEST	HOURS TESTED	CHOKE SIZE
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *Craig Mickleberry*

TITLE Area Drilling Superintendent DATE August 21, 1989

\*(See Instructions and Spaces for Additional Data 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.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
San Andres	1878	2030	Mechanical Sidewall Cores - 9 total Recovered Dolomite w/Anhydrite inclusions. Limestone, Anhydrite; very slight show of oil.	KB San Andres Glorieta Tubb Abo Wolfcamp Pennsylvanian Mississippian Devonian	3753 1483 2680 4147 4921 5243 6353 6600 6800	ASL
Devonian	6800	TD	Dolomite - Wet			

38. GEOLOGIC MARKERS

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Artesia, NM 86400

BUDGET PURCH NO. 1004-CLASS  
Expires August 31, 1985  
5. LEASE DESIGNATION AND SERIAL NO. *c/si*

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR	8. FARM OR LEASE NAME
3. ADDRESS OF OPERATOR	NEWKUMET-FEDERAL
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface	9. WELL NO.
500' FNL & 990' FWL Sec. 25, T-11-S, R-27-# Chaves County, New Mexico	10. FIELD AND POOL, OR WILDCAT
	Wildcat - <i>0.1</i>
	11. SEC., T., R., N., OR BLK. AND SURVEY OR AREA
	Sec. 25, T-11-S, R-27-E
14. PERMIT NO.	12. COUNTY OR PARISH
	Chaves
15. ELEVATIONS (Show whether DF, RT, OR, etc.)	13. STATE
3754' GL	NM

RECEIVED

AUG 28 '87

O. C. D.

ARTESIA, OFFICE

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	MULTIPLE COMPLETE	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	ABANDON*	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(Other)	<input type="checkbox"/>		

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	ALTERING CASING	<input checked="" type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ABANDONMENT*	<input checked="" type="checkbox"/>
(Other)	<input type="checkbox"/>	Set & Test 8 5/8" csg.	<input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) \*

08-08-87 Drill to 1900' with 10.1 ppg brine water

08-09-87 Run 44 jts 8 5/8", 24#, K-55, ST&C casing. Land @ 1840' KB. Cement by Dowell with 330 sacks 35/65 pozmix "C" containing 9# salt/sack and 1/4#/sack celloflake. Tail in with 250 sacks Class "C" cement containing 2% cc and 1/4#/sack celloflake. Circ. approximately 30 sacks to pit. NU BOP and WOC 7 hours. Test 8 5/8" casing to 1000 psi for 1 hour. Held Okay.

Requested change in intermediate casing seat from 2250' to 1840' through Mr. Peter Chester due to the fact that the ABO formation was encountered higher than anticipated.

18. I hereby certify that the foregoing is true and correct

SIGNED Craig Nickleberry TITLE Senior Drilling Engineer  
Craig Nickleberry by Linda Collins, Secretary

DATE 08-18-87

APPROVED BY  
CONDITIONS OF APPROVAL, IF ANY:

TITLE

ACCEPTED FOR RECORD  
PETER W. CHESTER

DATE

AUG 24 1987

\*See Instructions on Reverse Side

BUREAU OF LAND MANAGEMENT  
ROSWELL RESOURCE AREA

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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Alamosa, NM 88210

Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

NM-68860

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

NEWKUMET-FEDERAL

9. WELL NO.

10. FIELD AND POOL, OR WILDCAT

Wildcat - Deer

11. SEC., T., R., N., OR S.E., AND SURVEY OR AREA

Sec. 25, T-11-S, R-27-E

12. COUNTY OR PARISH

Chaves

13. STATE

NM

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

MAXUS EXPLORATION COMPANY

3. ADDRESS OF OPERATOR

P.O. Box 10397, Midland, TX 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)

At surface 500' FNL & 990' FWL  
Sec. 25, T-11-S, R-27-E,  
Chaves County, New Mexico

14. PERMIT NO.

15. ELEVATIONS (Show whether DP, ST, GR, etc.)

3754' GL

O. C. D.

ARTESIA OFFICE

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANE

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) Spud & set casing

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

08-05-87 MIRU TMBR Rig #6. Spud @ 6:30 p.m. 08/05/87  
Drilled to 395' K.B.

08-06-87 Ran 10 jts 13 3/8", 48#, H-40, ST&C casing. Landed @ 389.15' K.B. Cement by Dowell with 420 sacks Class "C" cement containing 2% cc, 1/2#/sack celloflake, and 2% gel. Circ. approximately 80 sacks to pit. Waiting on cement for 6 hours. Nipple-up BOP. Test 13 3/8" casing to 1100 psi for 1/2 hour. Held okay.

08-08-87 Drilled to 870'.

18. I hereby certify that the foregoing is true and correct

SIGNED

Craig Mickleberry  
Craig Mickleberry by Linda Collins, secretary

TITLE Senrio Drilling Engineer

DATE August 18, 1987

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

ACCEPTED FOR RECORD  
PETER W. CHESTER

DATE

AUG 24 1987

\*See Instructions on Reverse Side

BUREAU OF LAND MANAGEMENT  
ROSWELL RESOURCE AREA

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.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NM Oil Cons. Commission  
Drawer DD, Artesia, NM 88210  
SUBMIT IN LIEU OF (Other instructions on reverse side)

30-005-62532  
Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

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

Maxus Exploration Company

3. ADDRESS OF OPERATOR

P.O. Box 2530, Mills, Wyoming 82644

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

At surface

500' FNL 990' FWL NW/NW

At proposed prod. zone

RECEIVED BY

JUL 29 1987

O. C. D.

ARTESIA OFFICE

5. LEASE DESIGNATION AND SERIAL NO.

NM-68860

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal-Newkumet Fed.

9. WELL NO.

#68860 1

10. FIELD AND POOL, OR WILDCAT

Wildcat - 1000000

11. SEC., T., R., M., OR B.L. AND SURVEY OR AREA

Sec. 25, T11S, R27E

12. COUNTY OR PARISH

Chaves

13. STATE

New Mexico

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

16 miles southeast of Roswell, New Mexico.

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

500'

16. NO. OF ACRES IN LEASE

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

6,850'

20. ROTARY OR CABLE TOOLS

Rotary

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

3,754' GR

22. APPROX. DATE WORK WILL START\*

July 1, 1987

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	350'	Circulate to surface
12 1/4"	8 5/8"	24#	2,250'	Est. 550 sxs. <u>CIRCULATE</u>
7 7/8"	5 1/2"	15.5#	6,850'	Est. 350 sxs.



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

*James M. Pacheco*

TITLE

Sr. Environmental & Regulation Engineer

DATE June 5, 1987

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

S/Levi Deike, Acting

TITLE

Area Manager

DATE

JUL 24 1987

CONDITIONS OF APPROVAL

APPROVAL OF THIS APPLICATION 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.

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.

**# MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

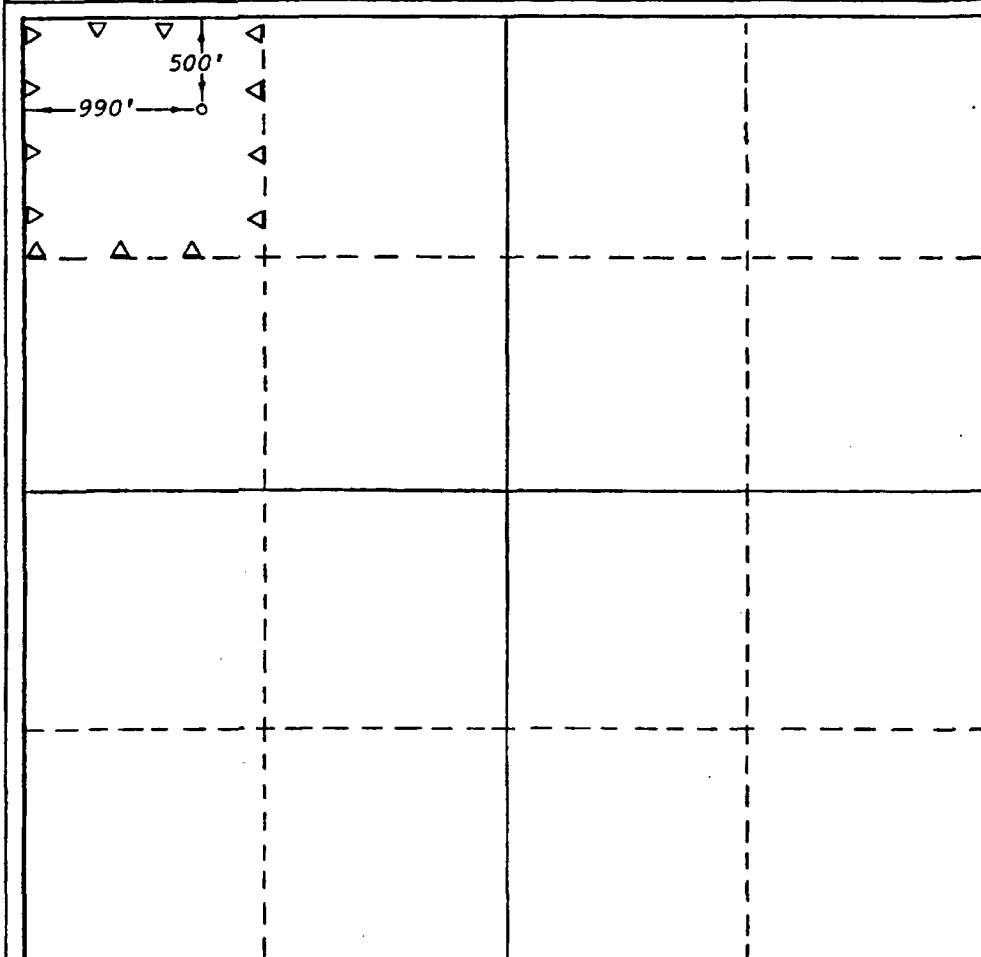
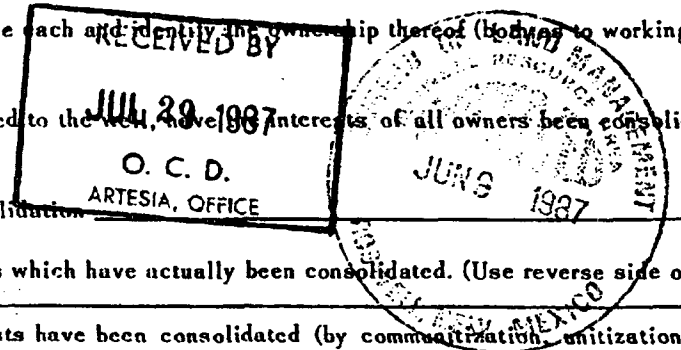
Operator <b>MAXUS EXPLORATION CO.</b>			Lease <b>Federal-New Kumet</b>		Well No. <b>1</b> <del>66860</del>
Unit Letter <b>D</b>	Section <b>25</b>	Township <b>11-S</b>	Range <b>27-E</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>500</b> feet from the <b>North</b> line and <b>990</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3754'</b>	Producing Formation <b>Kelso</b>		Pool <b>11-27-11-S-25</b>		Dedicated Acreage: <b>40</b> 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 (by name to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have all interests 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 interests, has been approved by the Commission.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*James M. Pachulski*

Name

**James M. Pachulski**

Position **Sr. Environmental & Regulation Engineer**

Company

**Maxus Exploration Company**

Date

**June 5, 1987**

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

**June 1, 1987**

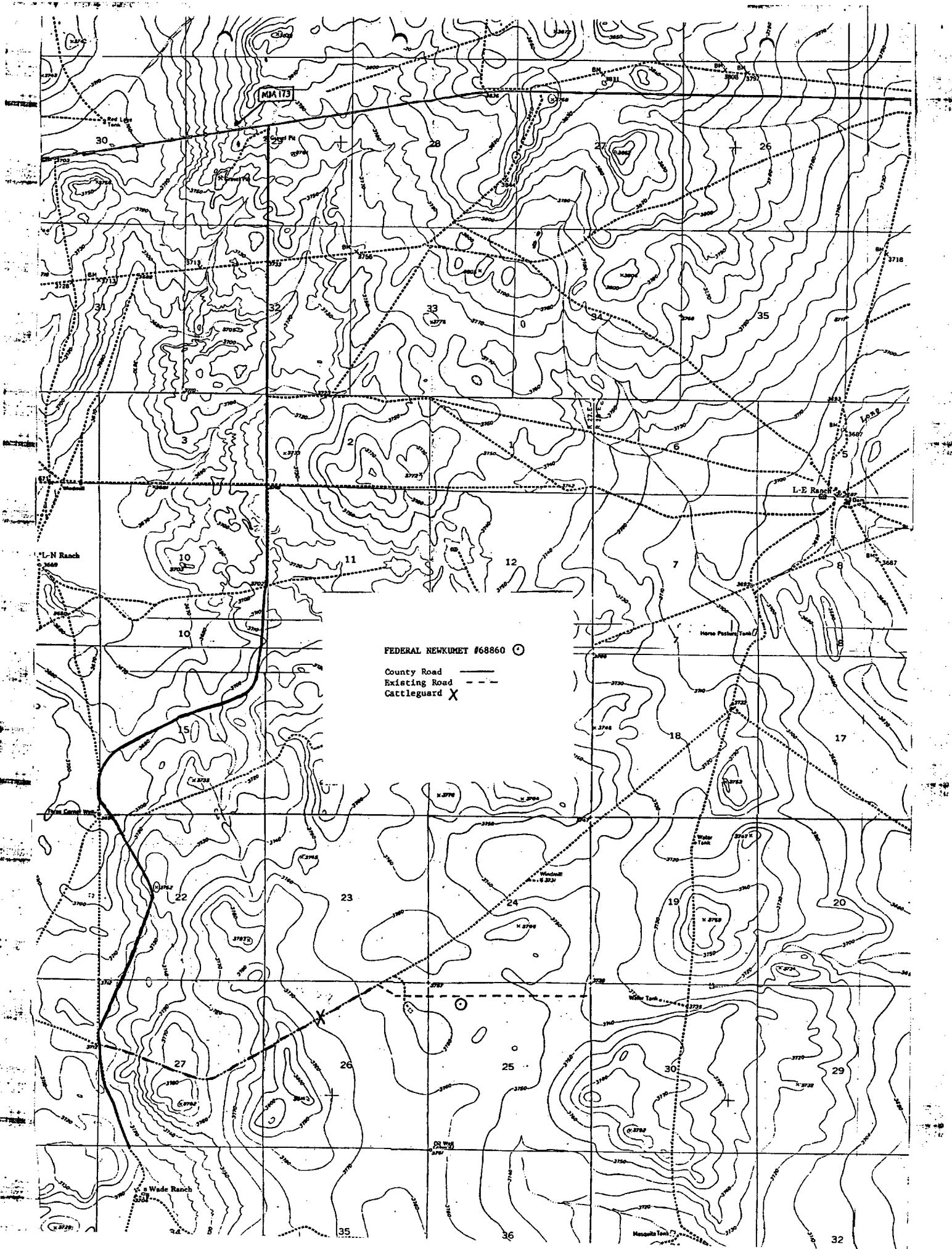
Registered Professional Engineer and/or Land Surveyor

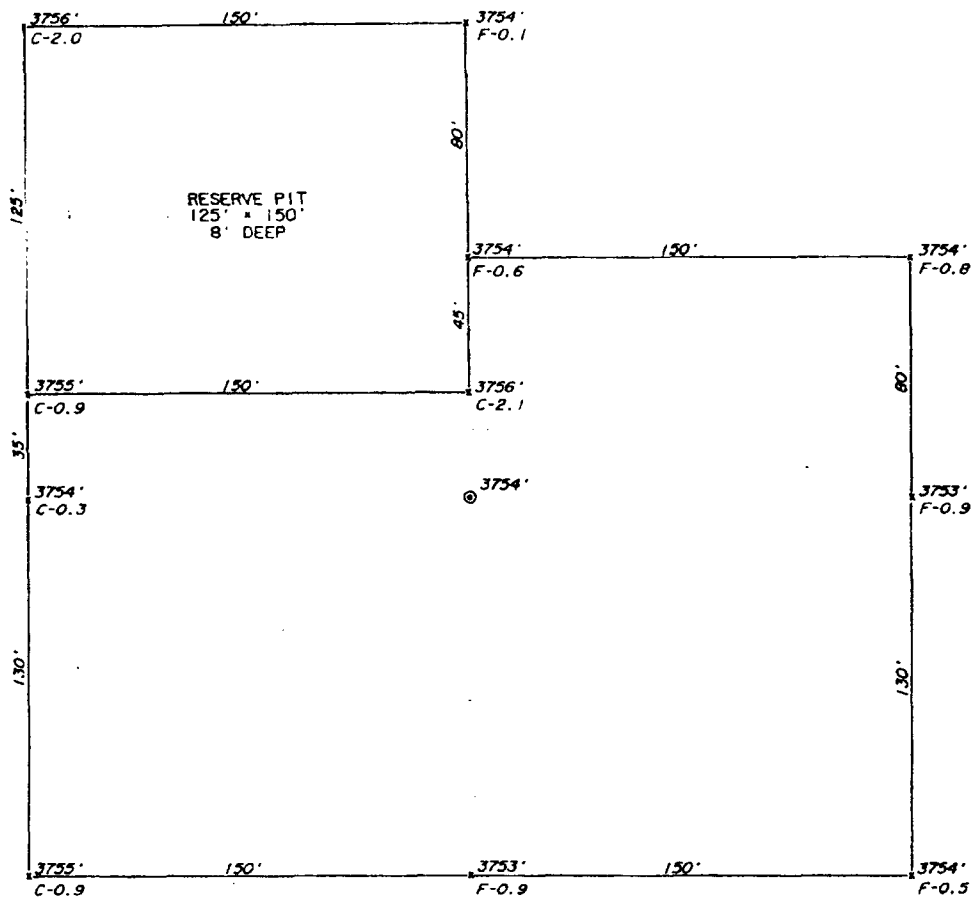
*Gary D. Baswed*

Certificate No.

**6689**

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



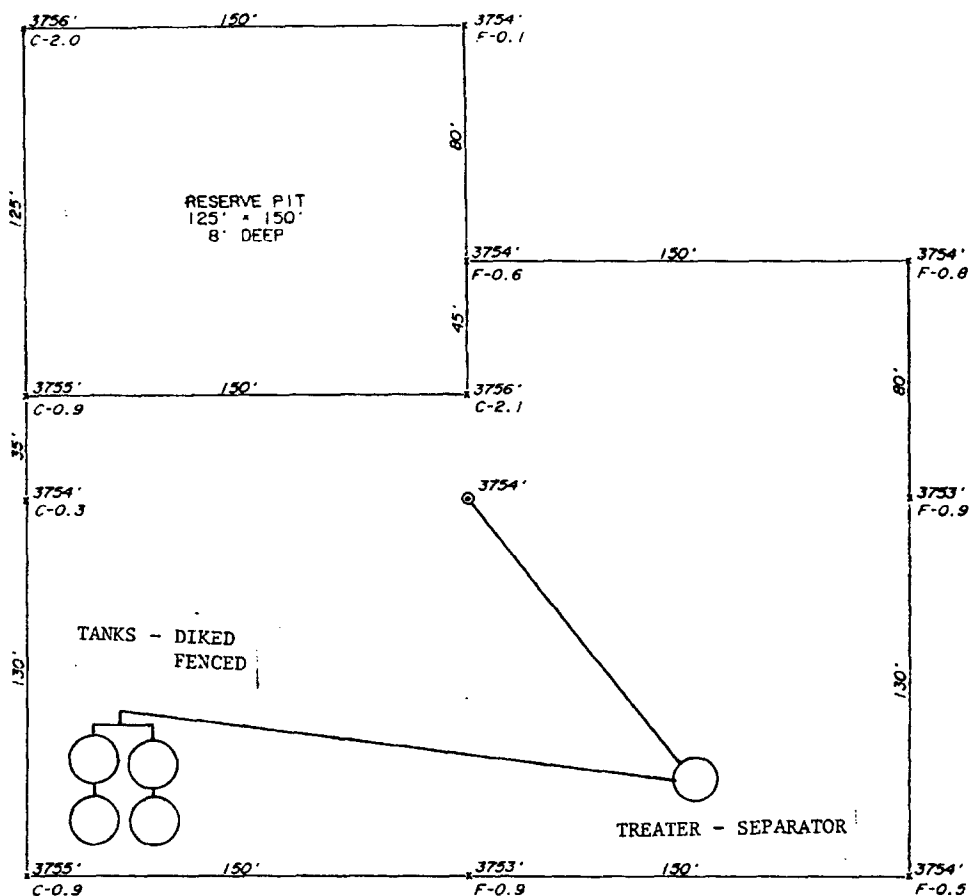


PROPOSED WELL PAD FOR  
MAXUS EXPL. CO. / FEDERAL-NEW KUMET #68860  
500' FNL & 990' FWL  
SECTION 25, T-11-S, R-27-E,  
CHAVES COUNTY, NEW MEXICO.

#### Dirt Quantities

Pad File = 894 cu. yds.  
Pad Cut = 864 cu. yds.  
Pit Cut = 5,764 cu. yds.

				MAXUS EXPLORATION CO.		SCALE: 1" = 50'	
				MILLS, WYOMING		DATE: JUNE 3, 1997	
NO	REVISION	DATE	BY	SURVEY & MAPPING BY		JOB NO.: 58942	
				SUR. BY: B.R.B.		DRAWING NUMBER:	
				DRAWN BY: P.A.D.			
				APPR. BY: D.R.K.		SHEET OF	
				TOPOGRAPHIC LAND SURVEYORS			
				MIDLAND, TEXAS			



PROPOSED WELL PAD FOR  
 MAXUS EXPL. CO. / FEDERAL-NEW KUMET #68860  
 500' FNL & 990' FWL  
 SECTION 25, T-11-S, R-27-E,  
 CHAVES COUNTY, NEW MEXICO.

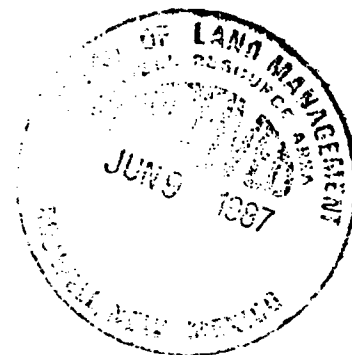


# DIAGRAM B

MAXUS EXPLORATION CO.				SCALE: 1" = 50'
MILLS, WYOMING				DATE: JUNE 3, 1987
SURVEY & MAPPING BY				JOB NO.: 58942
TOPOGRAPHIC LAND SURVEYORS				DRAWING NUMBER:
MIDLAND, TEXAS				SHEET OF
NO.	REVISION	DATE	BY	
SUR. BY: B.R.B.				
DRAWN BY: P.A.D.				
APPR. BY: D.R.K.				

DRILLING PROGRAM

Federal-Newkumet #68860  
NW/NW, Sec. 25, T11S, R27E  
Chaves County, New Mexico



1. ESTIMATED FORMATION TOPS

<u>FORMATION</u>	<u>DEPTH</u>
Queen	900'
San Andres	1,450'
San Andres Porosity	2,030'
Glorietta	2,750'
Tubb	4,120'
Abo	4,950'
Wolfcamp	5,700'
Mississippian	6,580'
Devonian	6,740'
T.D.	6,850'

2. ESTIMATED DEPTH OF WATER, OIL, GAS OR MINERALS

Gas & Oil: Gas and oil are expected in the Devonian Formations.

Water: Ground water is anticipated to approximately 500'. Some brackish water sands could possibly exist below this level, however the hydrostatic head of the drilling fluid will safely contain these waters within their formations.

3. PRESSURE CONTROL EQUIPMENT

- A. Refer to Diagram A.
- B. Minimum pressure ratings on any and all B.O.P. or related control equipment will be 3,000 psi.
- C. B.O.P. stack will be pressure tested to working pressure of B.O.P. or 70% yield on surface pipe prior to drilling out of surface casing. The stack will then be checked on each trip to insure workability.
- D. Hydraulic B.O.P. controls will be located on the accumulator and rig floor. Manual controls will be located on the B.O.P.