

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

AUG 10 2004

OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

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 **660' FNL and 660' FEL; NENE**  
At proposed prod. Zone **same as above**

14. Distance in miles and direction from nearest town or post office\*  
**Approximately forty (40) miles Northeast of Roswell, NM**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **660'**

16. No. of Acres in lease  
**920**

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

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

19. Proposed Depth  
**6480'**

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**3924' GL**

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

23. Estimated duration  
**30 Days**

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.
2. A Drilling Plan.
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).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized office.


25. Signature 

Name (Printed/Typed)  
**Robert Asher**

Date  
**7/22/04**

Title:

Regulatory Agent

Approved by (Signature)   
**(FORM. SGD.) ARMANDO A. LOPEZ**  
Title **Acting Assistant Field Manager,  
Lands And Minerals**

Name (Printed/Typed)  
**(FORM. SGD.) ARMANDO A. LOPEZ**  
Office **ROSWELL FIELD OFFICE**

Date  
**AUG 09 2004**  
**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)

CEMENT TO COVER ALL OIL,  
GAS AND WATER BEARING  
ZONES I.e. Glaciers  
Rev. OCO

DISTRICT I  
1635 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 and Natural Resources Department

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 Wildcat Precambrian
Property Code	Property Name WARBIRD "BEO" FEDERAL COM.	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3924

Surface Location

UL or lot No. A	Section 8	Township 6S	Range 27E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 660	East/West line EAST	County CHAVES
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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
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Dedicated Acres 320	Joint or Infill	Consolidation Code	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

NM-90873		N.33°48'51.8" W.104°12'28.8" N.1023806.2 E.538225.7 (NAD-27)		OPERATOR CERTIFICATION  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature Robert Asher Printed Name Regulatory Agent Title 07/22/2004 Date
			NM-93468	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.  6/29/2004 Date Surveyed Signature of Professional Surveyor  Certified No. Herschel L. Jones RLS 3640 WARBIRD OIL SURVEYOR GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: (505) 748-1471 e-mail address: debbiec@ypcnm.com

Address: 105 South 4<sup>th</sup> Street, Artesia, New Mexico 88210

Facility or well name: Warbird BEO Federal Com. #1 API #: \_\_\_\_\_ U/L or Qtr/Qtr A Sec 8 T 6S R 27E

County: Chaves Latitude N.1023806.2 Longitude E.538225.7 NAD: 1927 ☒ 1983 ☐

Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

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JUL 28 2004

UBB-ARTESIA

Pit Type: Drilling ☒ Production ☐

Disposal ☐ Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil

Clay ☐ Volume \_\_\_\_\_ bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

( 0 points)

N/A

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

( 0 points)

N/A

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

( 0 points)

N/A

Ranking Score (Total Points)

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.

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: July 22, 2004

Printed Name/Title Robert Asher / Regulatory Agent / Land Department Signature [Signature]

Email: debbiec@ypcnm.com

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: JUL 28 2004

Printed Name/Title [Signature]

Signature [Signature]

**YATES PETROLEUM CORPORATION**  
**Warbird BEO Federal Com. #1**  
 660' FNL and 660' FEL  
 Section 8-T6S-R27E  
 Chaves County, New Mexico

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

Yates	160'	Abo	4420'
Seven Rivers	225'	Wolfcamp	5125'
Queen	715'	Wolfcamp B Zone	5215'
Penrose	825'	Spear Zone	5435'
Grayburg	935'	Cisco	5675'
San Andres	1165'	Strawn	5840'
Glorieta	2230'	Mississippian	6065'
Yeso	2340'	Siluro-Devonian	6245'
Tubb	3750'	Pre-Cambrian	6330'
		TD	6480'

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

Water: 150'-200'  
 Oil or Gas: All potential formations.

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 2000# 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>	<u>Length</u>
14 3/4"	9 5/8"	36#	J-55	ST&C	0-1250'	1250'
* 8 3/4"	5 1/2"	15.5#	J-55	ST&C	0-6480'	6480'

\* - Hole to be reduced to 7 7/8" if good returns after displacing @ 2230'.

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, and Tensile Strength 1.8
2. A 2,000 psi BOP will be nipped up on the 9 5/8" casing and tested to 1000 psi. YPC requests a variance be granted in requiring the casing and BOPE to be tested to 2000 psi to testing the casing and BOPE to 1000 psi. The rig pumps will be used to test the casing and BOPE. Rig pumps used in this area cannot safely test above 1000 psi. We would have to go to the greater expense of hiring an independent service company to do the testing. Also, the bottom hole pressure in this field is proven to be near 1000 psi. A shut in surface pressure would be less than 1000 psi. We feel that an 1100-psi test will demonstrate that the BOPE is functioning properly, and in the unlikely event of a gas influx that the BOPE would be sufficient to control the well.

No

## Warbird BEO Federal Com. #1

### Page 2

#### A. CEMENTING PROGRAM:

Surface Casing: Cement with 850 sx Lite "C" (YLD 2.0 WT 12.5),  
Tail in with 200 sx C with 2% CaCl<sub>2</sub> (YLD 1.33 WT 15.6).

Production Casing: 650 sx Pecos Valley Lite (YLD 1.42 WT 13). TOC = 3900'.

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

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1250'	FW Gel/Paper/LCM	8.6-9.2	32-34	N/C
1250'-2230'	Cut Brine	9.2	28	N/C
2230'-4350'	Brine	10.0	28	N/C
4350'-6480'	Starch/Salt Gel/KCL	9.8-10.2	45-50	<6CC

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. Rig personnel will check mud hourly.

#### 6. EVALUATION PROGRAM:

Samples: 10' samples – Surface to TD.

Logging: Platform Express, CNL/LDT/NGT - TD to surface casing, CNL/GR - TD to surface, DLL/MSFL - TD to surface casing, BHC Sonic - TD to surface casing;

Coring: None

DST's: None

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

Anticipated BHP:

From: 0	TO: 1250'	Anticipated Max. BHP: 600 PSI
From: 1250'	TO: 6480'	Anticipated Max. BHP: 3375 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H<sub>2</sub>S 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 15 days to drill the well with completion taking another 15 days.

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**  
**YATES PETROLEUM CORPORATION**  
**Warbird BEO Federal Com. #1**  
660' FNL and 660' FEL  
Section 8-T6S-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 well site is located approximately 40 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

**DIRECTIONS:**

Go northeast out of Roswell, NM on Hwy 70 for approximately 28 miles to Olive Road (past mile marker 362). Turn north on Olive Road and go approximately 11.1 miles to Caprock Road. Turn east on Caprock road and go approximately 0.9 of a mile. Turn left thru cattle guard and follow road past the house and around the corrals. Go thru 2 more cattle guards, turn right on lease road, just before another cattle guard turn left (west). Go west for approximately 0.8 miles to a "Y" in the road, take right fork (two track road) to barbed wire fence gate, go thru gate and continue for approximately 1.4 miles, turn right at abandoned windmill, continue for approximately 0.5 of a mile, the location is on the right side.

**2. PLANNED ACCESS ROAD:**

- A. The proposed new access will be approximately 11,132.3' in length from the point of origin to the southeast corner of the drilling pad.
- 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 both sides.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.
- F. One cattle guard will be needed.

**3. LOCATION OF EXISTING WELL:**

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

**4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

- A. There are 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 drill the proposed well with a fresh water system. The water will be obtained from commercial sources, possibly in Roswell, and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

The dirt contractor will be responsible for finding a source of material for construction of road and pad and will obtain any permits that may be required.

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.  
**Note: Pits are to the South.**
- B. The reserve pits will be plastic lined.
- C. A 600' x 600' area has been staked and flagged.

10. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is plugged and abandoned, 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:

Private Surface - Ms. Louise Van Eaton, 1303 N. Washington Ave.,  
Roswell, NM, 505-622-7657. An agreement has been reached concerning surface  
use in the drilling of this well.

Federal Minerals - Roswell Bureau of Land Management.

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the  
topography, flora, fauna, soil characteristics, dwellings, and historical and cultural  
sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE:

- |  |   |
|--|---|
| A. Through A.P.D. Approval:<br>Robert Asher, Regulatory Agent<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>Phone (505) 748-1471 | B. Through Drilling, Completions & Prod.<br>Pinson McWhorter, Operations Manager<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>Phone (505) 748-1471 |
|--|---|

14. CERTIFICATION:

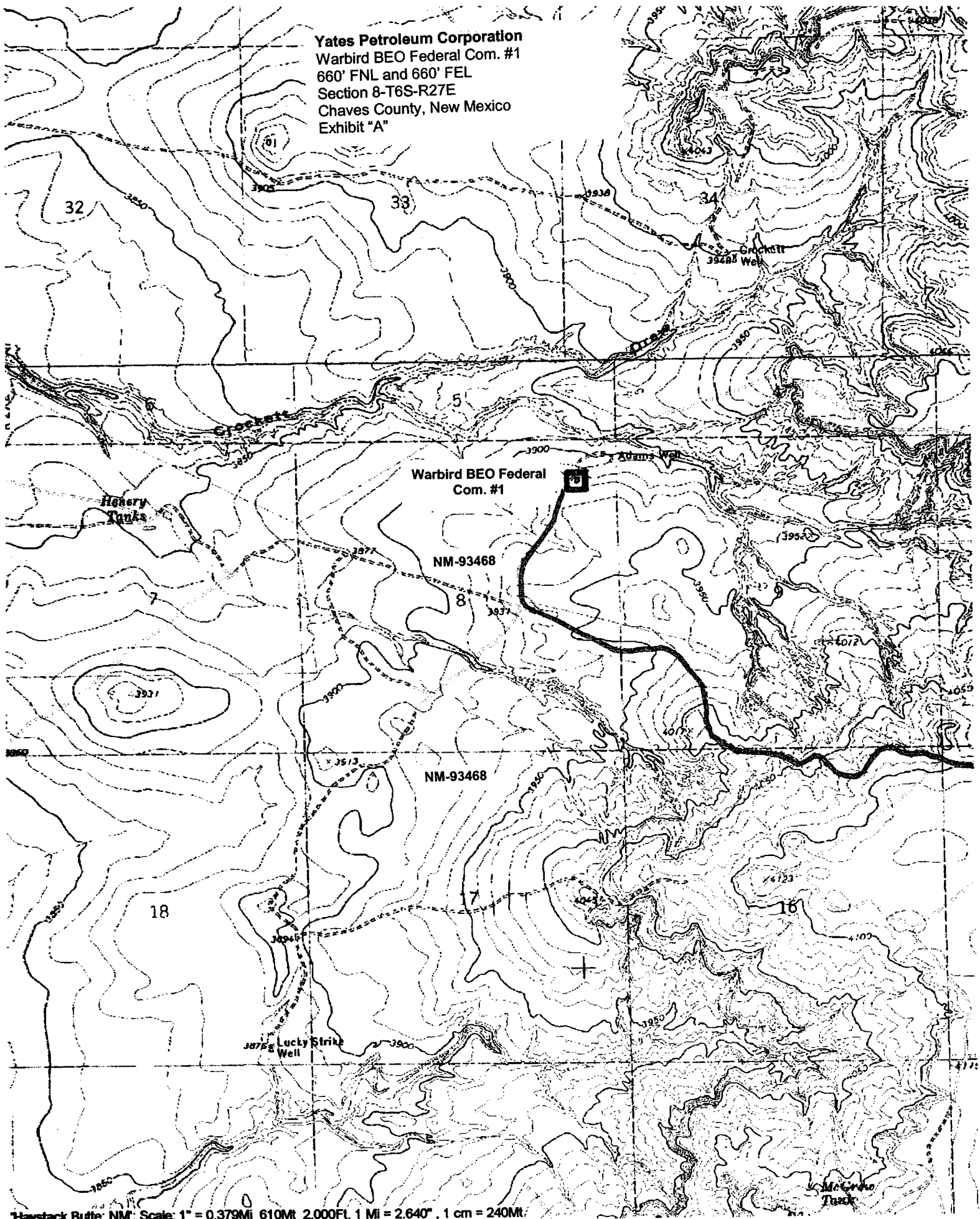
I hereby certify that I, or persons under my direct supervision, have inspected the proposed  
drill site and access route, that I am familiar with the conditions which presently exist; that  
the statements made in this plan are to the best of my knowledge, true and correct; and,  
that the work associated 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.

July 22, 2004

  
\_\_\_\_\_  
Regulatory Agent

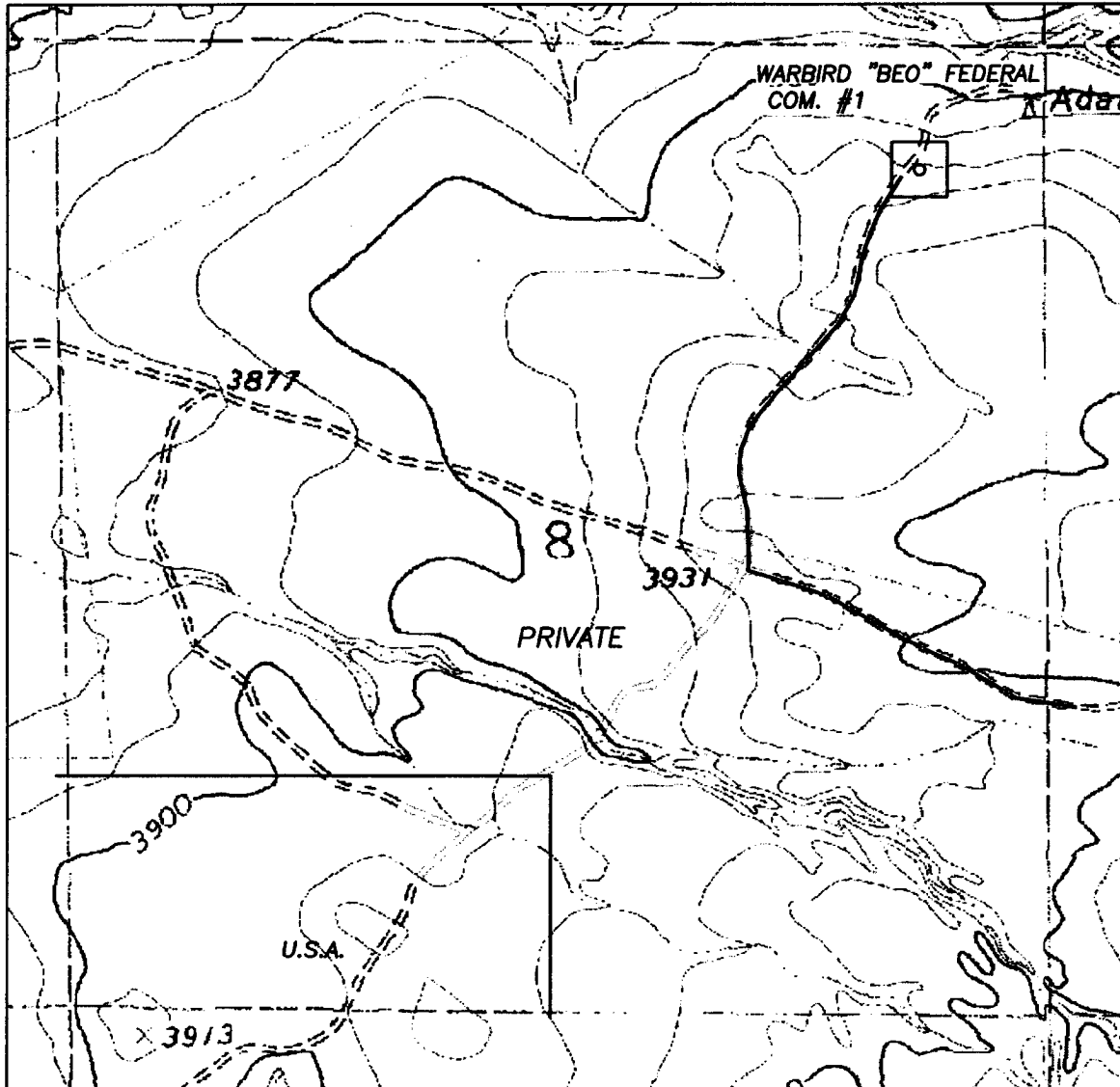


Yates Petroleum Corporation  
Warbird BEO Federal Com. #1  
660' FNL and 660' FEL  
Section 8-T6S-R27E  
Chaves County, New Mexico  
Exhibit "A"



Haystack Butte; NM; Scale: 1" = 0.379Mi 610M 2,000Ft, 1 Mi = 2.640", 1 cm = 240M

SECTION 8, TOWNSHIP 6 SOUTH, RANGE 27 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.



Yates Petroleum Corporation  
Warbird BEO Federal Com. #1  
660' FNL and 660' FEL  
Section 8-T6S-R27E  
Chaves County, New Mexico  
Exhibit "A-1"

1000' 0 1000' 2000'  
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

*Herschel L. Jones*  
HERSCHEL L. JONES R.L.S. No. 3640  
GENERAL SURVEYING COMPANY P.O. BOX 1928  
LOVINGTON, NEW MEXICO 88260

**YATES PETROLEUM CORP.**

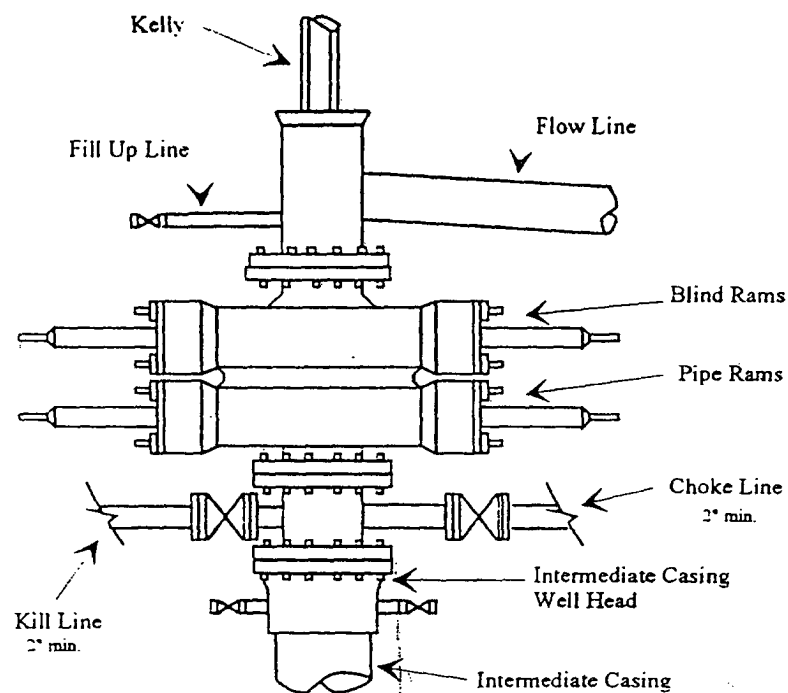
LEASE ROAD TO ACCESS THE YATES WARBIIRD "BEO" COM.  
#1 WELL, LOCATED IN SECTION 8, TOWNSHIP 6 SOUTH,  
RANGE 27 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

Survey Date: 6/29/2004	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 6/29/04	Scale 1" = 1000' WARBIIRD

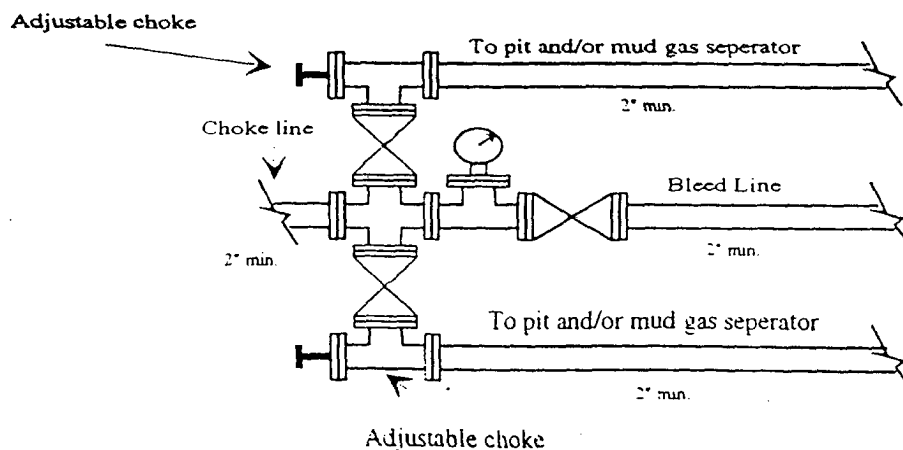
# Yates Petroleum Corporation

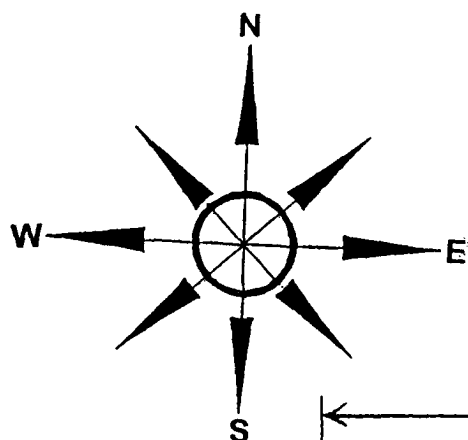
BOP-2

## Typical 2,000 psi Pressure System Schematic Double Ram Preventer Stack



Typical 2,000 psi choke manifold assembly with at least these minimum features



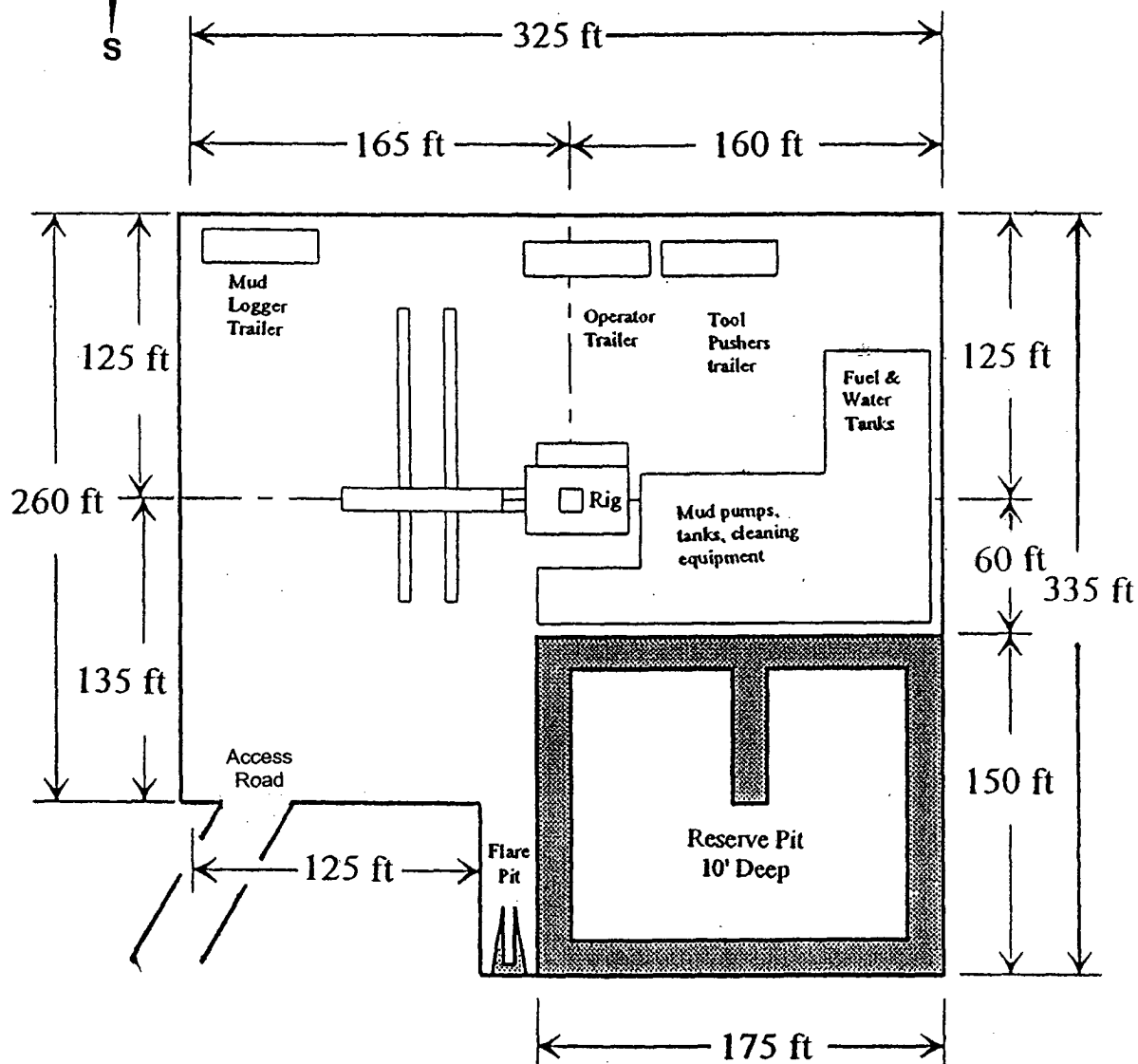


# Yates Petroleum Corporation

## Location Layout for Permian Basin

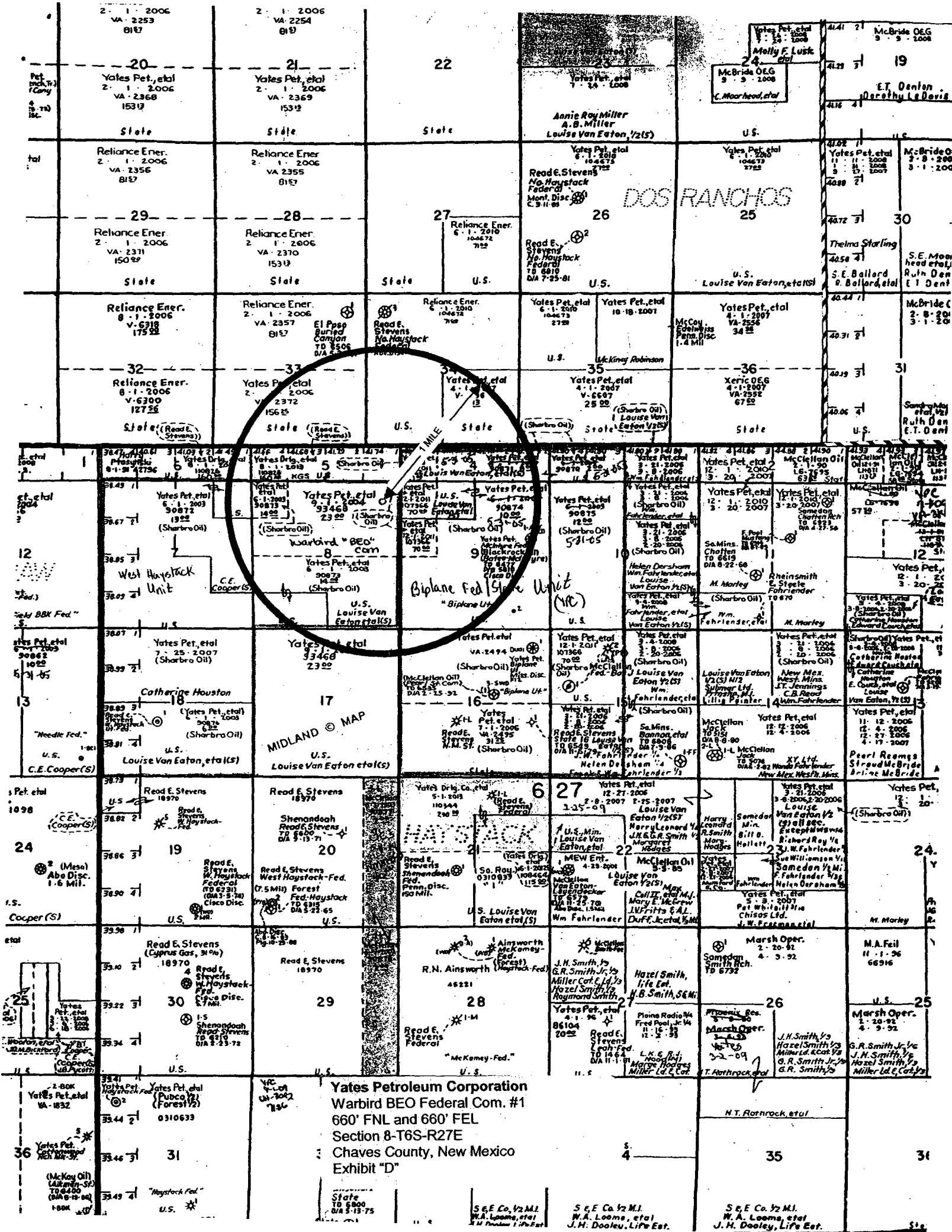
### Up to 12,000'

Yates Petroleum Corporation  
 Warbird BEO Federal Com. #1  
 660' FNL and 660' FEL  
 Section 8-T6S-R27E  
 Chaves County, New Mexico  
 Exhibit "C"



Distance from Well  
 Head to Reserve Pit  
 will vary between rigs

The above dimension  
 should be a maximum



Yates Petroleum Corporation  
Warbird BEO Federal Com. #1  
660' FNL and 660' FEL  
Section 8-T6S-R27E  
Chaves County, New Mexico  
Exhibit "D"

S & E Co. 1/2 MI.  
W.A. Loomis, et al  
J.H. Dooley, Life Est.

S & E Co. 1/2 MI.  
W.A. Loomis, et al  
J.H. Dooley, Life Est.

S & E Co. 1/2 MI.  
W.A. Loomis, et al  
J.H. Dooley, Life Est.