

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.

LC-049945-b

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

Huber Pecos River Deep #6

9. API Well No.

30 - C15 - 20155

10. Field and Pool, or Exploratory

Lake McMillan Wolfcamp Oil Pool

11. Sec., T., R., M., or Blk. and Survey or Area

Section 29, T19S-R27E

12. County or Parish

Eddy 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 DRILLING COMPANY

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

990' FNL and 1980' FEL

At proposed prod. Zone

Same

JAN 18 2005

14. Distance in miles and direction from nearest town or post office*

Approximately 14 miles southeast of Artesia, New Mexico.

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

320

17. Spacing Unit dedicated to this well

NW/NE

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

700'

19. Proposed Depth

8600'

20. BLM/BIA Bond No. on file

586000

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

3393' GL

22. Approximate date work will start*

ASAP

23. Estimated duration

45 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)

Date

Cy Cowan

11/17/04

Regulatory Agent

Regulatory Agent

Approved by (Signature)

/s/ Joe G. Lara

Name (Printed/Typed)

/s/ Joe G. Lara

Date

JAN 13 2005

Title

ACTING FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

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.

APPROVAL FOR 1 YEAR

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

If earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.

DISTRICT I
1825 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
2045 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 Lake McMillan Wolfcamp Oil Pool
Property Code	Property Name Huber Pecos River Deep	Well Number 6
OCRD No. 025573	Operator Name YATES DRILLING COMPANY	Elevation 3393'

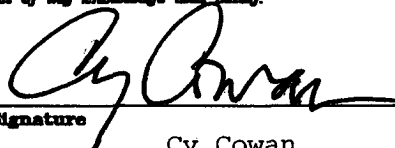
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	29	19S	27E		990'	North	1980'	East	Eddy

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
Dedicated Acres 40	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

		LC-049945b 990' 1980'	OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Cy Cowan Printed Name Regulatory Agent Title November 17, 2004 Date
			SURVEYOR CERTIFICATION <i>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.</i> REFER TO ORIGINAL PLAT. Date Surveyed Signature & Seal of Professional Surveyor
			Certificate No. Herschel L. Jones RLS 3640 GENERAL SURVEYING COMPANY

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

Form O-100
Supersedes O-128
Effective 10-65

All distances must be from the outer boundaries of the Section

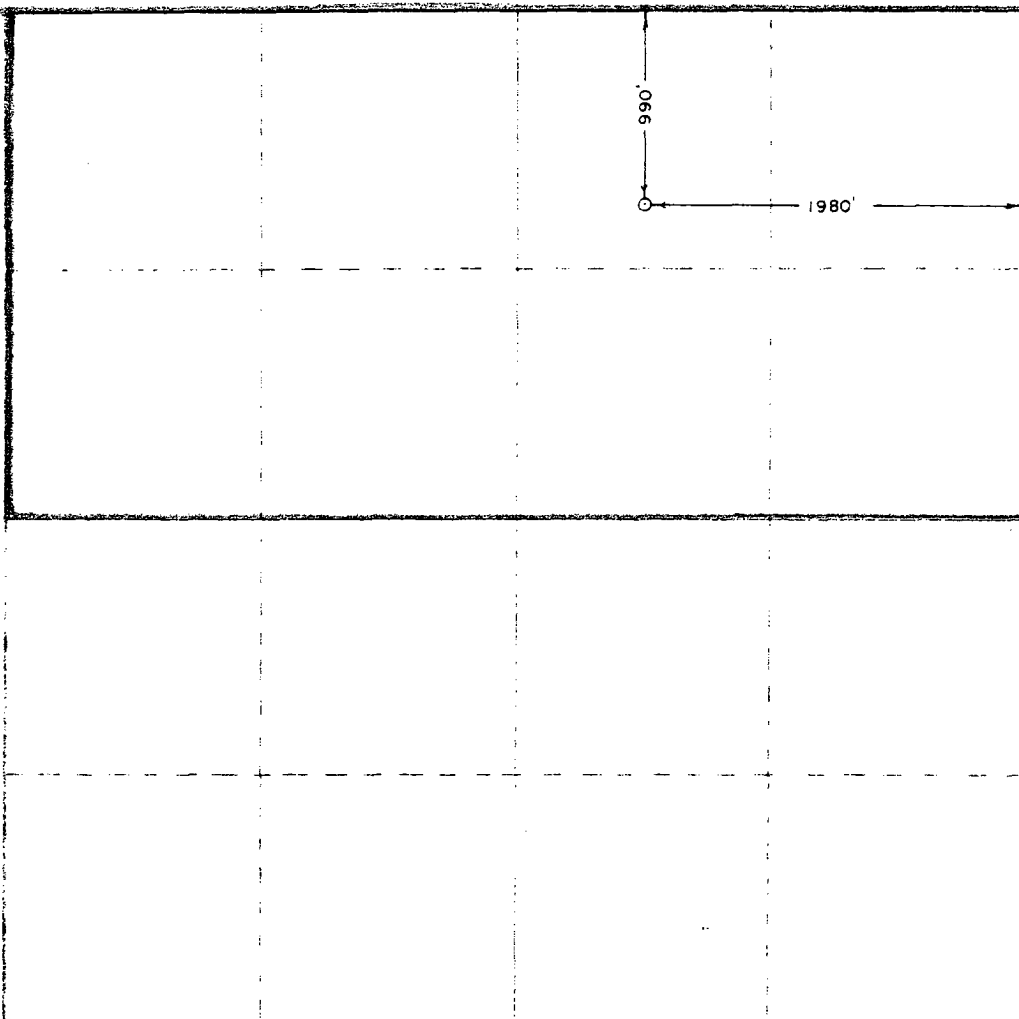
J. M. HUBER CORP.			PECOS RIVER DEEP UNIT		6
B	29	19 SOUTH	27 EAST	EDDY	
990		NORTH	1980		EAST
Cisco Canyon		Wildcat		320	

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 identify the ownership thereof (both as 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 Unitization

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.



RECEIVED
JUL 15 1968
U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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

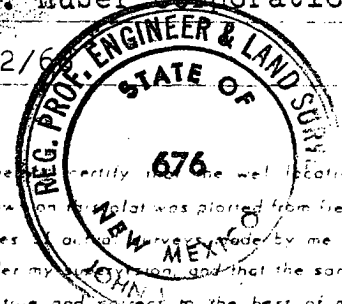
Floyd L. Meade

Floyd L. Meade

District Production Supt.

J.M. Huber Corporation

7/12/68



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

JULY 12, 1968

By the Surveyor or Registered Professional Engineer

John W. West

676

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900

YATES DRILLING COMPANY
Huber Pecos River Deep #6 Re-entry
 990' FNL and 1980' FEL
 Section 29, T19S-R27E
 Eddy County, New Mexico

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

Queen	852'	1 st Bone Spring Lime	5389'
Grayburg	1159'	3 rd Bone Spring Lime	7337'
San Andres	1798'	Wolfcamp	7792'
Bone Spring Lime	2691'	TD	8600'

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

Water: 200' - 300'
 Oil or Gas: All potential zones

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 5000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H-40	ST&C	0-630'	630' In Place
11"	8 5/8"	36#	J-55	ST&C	0-2770'	2770' In Place
7"	5 1/2"	17#	J-55	LT&C	0'-100'	100'
7"	5 1/2"	15.5#	J-55	LT&C	100'-6600'	6500'
7"	5 1/2"	17#	J-55	LT&C	6600'-8300'	1700'
7"	5 1/2"	17#	L-80	LT&C	6600'-8600'	2000'

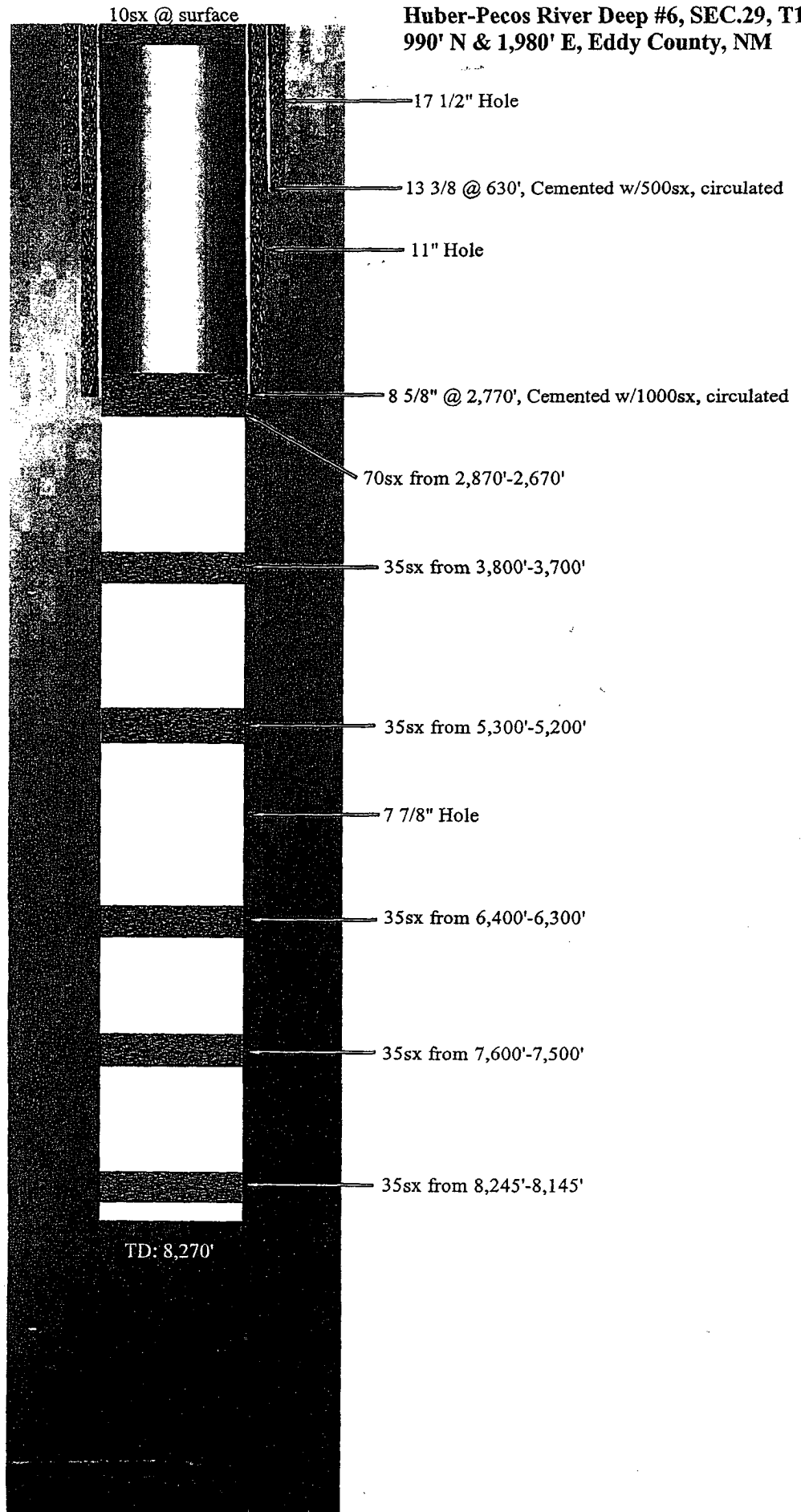
Yates Petroleum Corporation requests a variance to install a rotating head on the surface casing strings when intermediate casing will be set. If a BOP system is required then we wish to install a 2M system and receive a variance to test the system to 1000# using the rig pumps. The test will be held for 30 minutes on each system component. Components to be tested include pipe rams, blind rams, and annular preventer.

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

"WELLBORE BEFORE RE-ENTRY"

YATES DRILLING COMPANY

**Huber-Pecos River Deep #6, SEC.29, T19S-R27E
990' N & 1,980' E, Eddy County, NM**



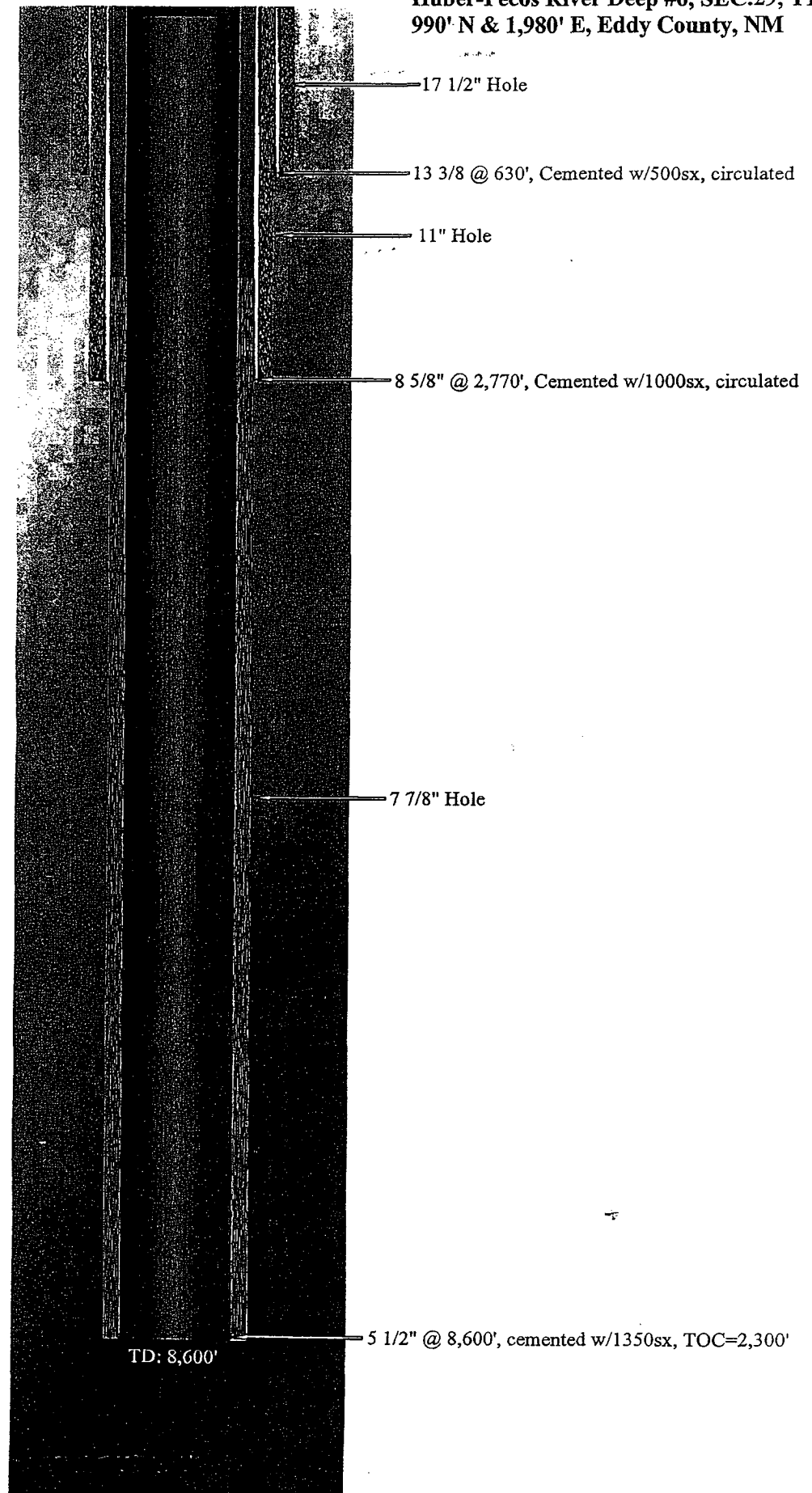
Sketch not to scale

"WELLBORE AFTER RE-ENTRY"

YATES DRILLING COMPANY

Huber-Pecos River Deep #6, SEC.29, T19S-R27

990' N & 1,980' E, Eddy County, NM



Sketch not to scale

B. CEMENTING PROGRAM:

Surface casing: 500 sx Class 'C' Circulated In Place.

Intermediate casing: 1000 sx Circulated In Place.

Production Casing: TOC 2300', 1350 sx Class 'C' (YLD 1.64 WT 13.2)

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud to 8270'	Cut Brine/Existing Fluid	8.6-8.9	28	N/C
8270'-8600'	Cut Brine	9.6-9.9	38-42	<12N/C

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' out from under intermediate casing to TD.

Logging: Platform Express/HALS/NGT.

Coring: None anticipated.

DST's: As Warranted.

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

From: 2770' TO 8600' Anticipated Max. BHP: 2450 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 163° F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 15 days.

A LEASE ROAD RIGHT OF WAY 30 FEET WIDE AND ~~300~~ FEET IN LENGTH, BEING 15 FEET TO THE LEFT AND RIGHT OF THE EXISTING LEASE ROAD AS SHOWN ON THIS PLAT.

THE NEW ZEALAND LAND SURVEYOR GENERAL'S OFFICE
 CIVIL ENGINEERS AND LAND SURVEYORS

[Signature]

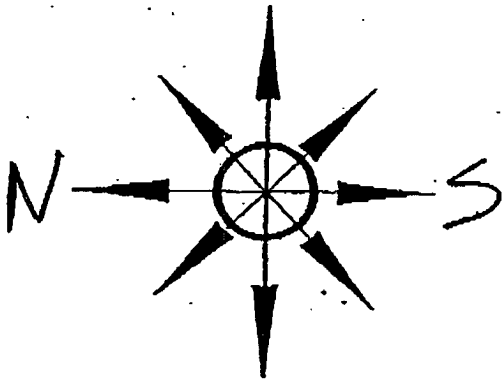
HERSCHEL L. JONES R. L. SMITH No. 3640

YATES DRILLING COMPANY

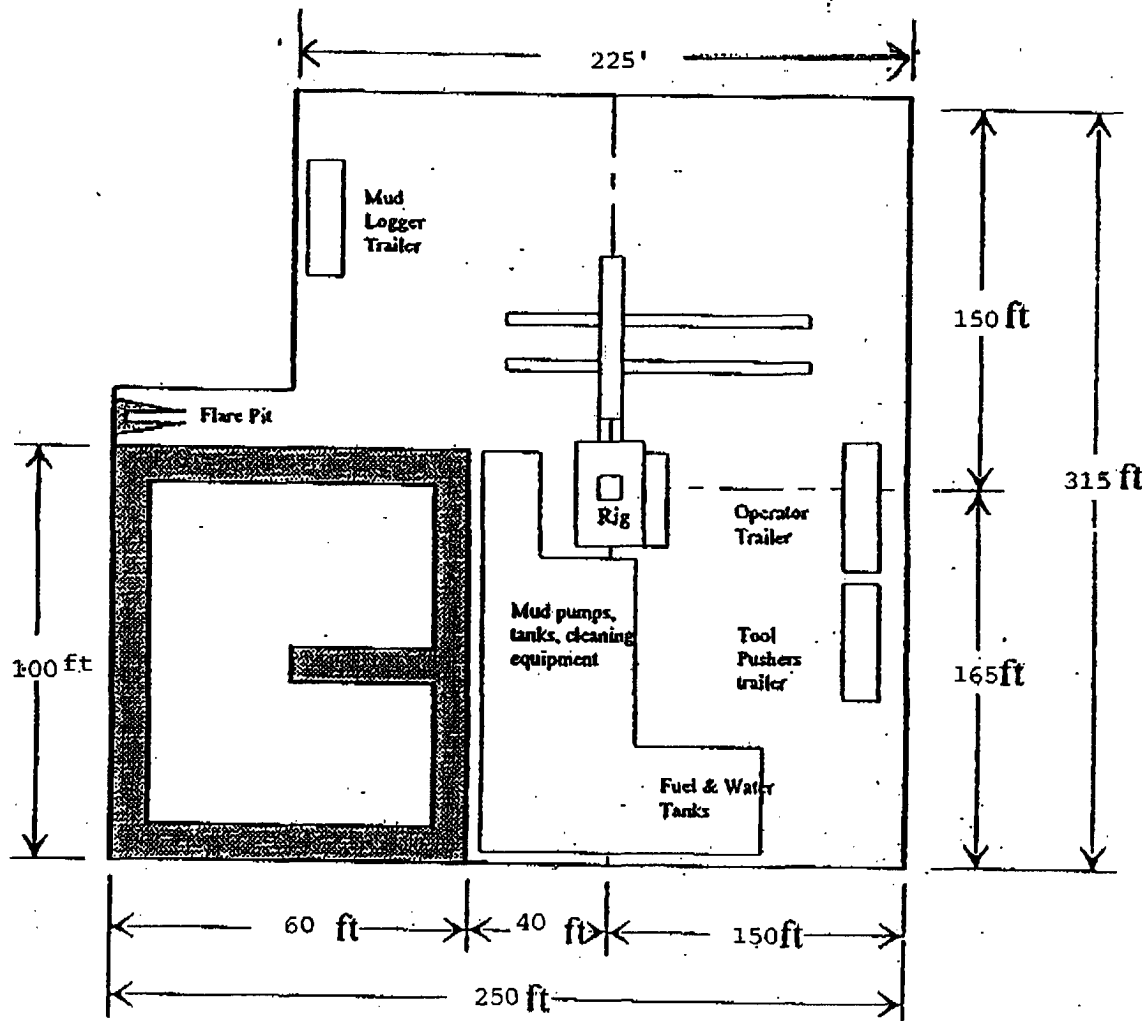
Survey Date: 11/13/2003	Sheet 1 of 1 Sheets
Drawn By: Ed Blavins	W.O. Number
Date: 11/13/03	Scale 1" = 1000' PARROT 1

Yates Drilling Company
Location Layout for Permian Basin
Up to 12,000'

PB - L1

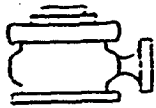


YATES DRILLING COMPANY
Huber Pecos River Deep #6
990' FNL and 1980' FEL
Section 29, T19S-R27E
Eddy County, New Mexico
LC-049945-b



Distance from Well
Head to Reserve Pit
will vary between rigs
The above dimension
should be a maximum

Not to Scale

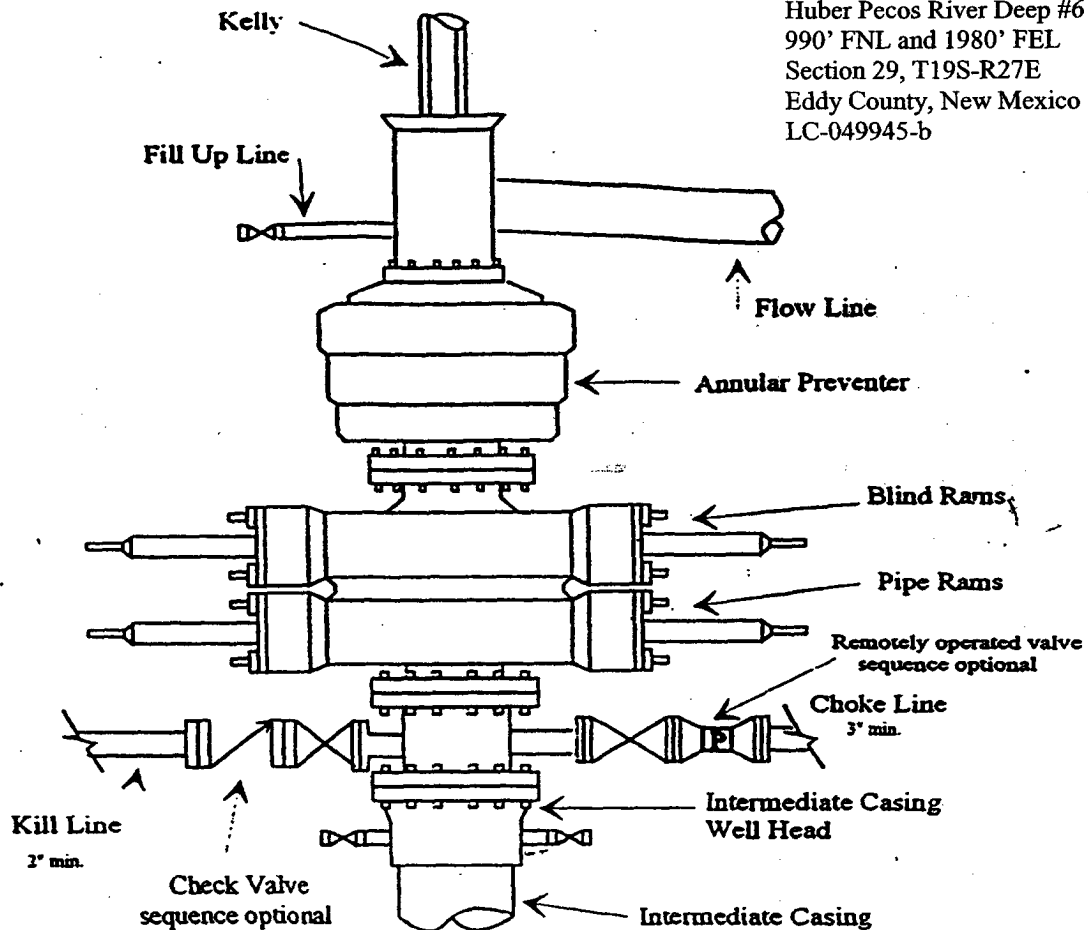


YATES DRILLING COMPANY

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

YATES DRILLING COMPANY
Huber Pecos River Deep #6
990' FNL and 1980' FEL
Section 29, T19S-R27E
Eddy County, New Mexico
LC-049945-b



Typical 5,000 psi choke manifold assembly with at least these minimum features

