## N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

Form 3160-3 (August 1999) Artesia, NM 88210

OMB No. 1004-0136 Expires November 30, 2000

(	UNITED STATES	S BEC	EIVED	Expires November	30, 2000	
	DEPARTMENT OF THE I	NTERIOR	filip I ♥ burns"	5. Lease Serial No.		
	BUREAU OF LAND MANAG	GEMENT APR	0 3 2006	NM-28297		
APPLIC	CATION FOR PERMIT TO DI	RILL OR REENTERCUM	AHIEBIA	6. If Indian, Allottee or Tribe		
				Not Applica 7. If Unit or CA Agreement,		
1a. Type of Work:	DRILL REI	enter 29	458		Name and No.	
		O- V	400	29658 8. Lease Name and Well No		
b. Type of Well: Oil Well	Gas Other	Single Zone	Multiple Zone	Everette OO Federal	$\alpha$	
2. Name of Operator				9. API Well No.	-	
Yates Petroleum Corpo	ration 25575			30-005-		
3A. Address 105 South Fou	arth Street	3b. Phone No. (include area cod		10. Field and Pool, or Explor	ratory	
	Mexico 88210	(505) 748-147		Wildcat Precambriar		
· -	ion clearly and in accordance with any		4542	11. Sec., T., R., M., or Blk, a	ind Survey or Area	
At surface	1980' FSL and 17	oo i vie, oiiit i	40	Continu 06 TEC D045	-	
At proposed prod. Zone	on from nearest town or post office*	as above		Section 26, T5S-R24I	13. State	
	•	Pagwall Now Mavica		Chaves County	NM	
15. Distance from proposed*	vo (42) miles northeast of f	16. No. of Acres in lease	17. Spacing Un	nit dedicated to this well	IAIAI	
location to nearest property or lease line, ft. (Also to nearest drig, unit line,	<b>1980'</b> if any)	360		320 acres - N 1/2		
18. Distance from proposed location to nearest well, drilling, complete	n*	19. Proposed Depth	20. BLM/BIA	Bond No. on file		
to nearest well, drilling, completed, applied for, on this lease, ft.		5260'		NM-2811		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)		22. Approximate date work will start*		23. Estimated duration		
397	78' GL	ASAP		30 Days		
		24. Attachments				
The following, completed in accor	dance with the requirements of Onshor	re Oil and Gas Order No. 1, shall b	e attached to this	form:		
1. Well plat certified by a register	ed surveyor.	4. Bond to cove	er the operations	unless covered by an existing b	oond on file (see	
2. A Drilling Plan.		Item 20 abov	/e).			
3. A Surface Use Plan (if the local	tion is on National Forest System Land	ls, the 5. Operator cert	ification.			
SUPO shall be filed with the ap	opropriate Forest Service Office.	6. Such other single authorized of	•	ation and/or plans as may be re	quired by the	
25. Signature Q	C C C C C C C C C C C C C C C C C C C	Name (Printed/Typed)		Date		
D. Stre &	00 m Clas.	Debbie Caffall/de	ebbiec@ypc	nm.com	3/1/2006	
Title:						
Regulatory Agent						
Approved by (Signature)	LARRY D. BRAY	Name (Printed/Typed)	/S/LARRY	D. BRAY Date MA	R 3 1 200	
Title A5813	stant Field Wanager,	Office			A S S SOCK	
Land	s And Minerals	ROSWELL	FIELD OFFIC	E APPROVED F	-UH I YEAR	
Application approval does not war	rrant or certify that the applicant holds	legal or equitable title to those righ	nts in the subject	ease which would entitle the ap	plicant to conduct	
operations thereon.						
Conditions of approval, if any, are						
	Fitle 43 U.S.C. Section 1212, make it a full full full full full full full fu			ke to any department or agency	of the United	

\*(Instructions on reverse)

**Previously Approved** 

C-144 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 P.O. Box 1980, Hobbs, NM 88240

#### State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Instruction on back Submit to Appropriate District Office

State Lease - 4 Copies For Lease - 3 Copies

DISTRICT II P.O. Drawer DD, Artonia, NM 88210

DISTRICT III 1000 Rio Brasos Rd., Astec, NM 87410

# 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		
	96542	Wildcat Precambrian		
Property Code	Property EVERETTE "00"		Well Number 10	
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3974	

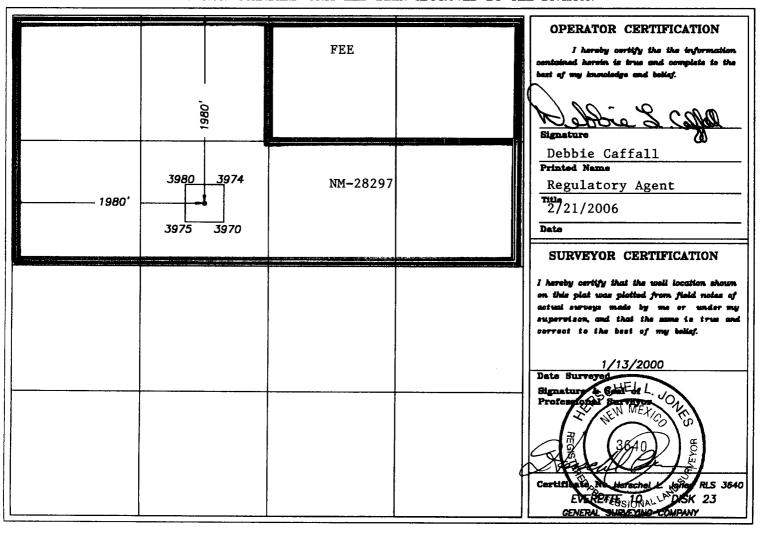
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	26	<i>5</i> S	24E		1980	NORTH	1980	WEST	CHAVES

#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or	r Infill (	Consolidation (	Code Or	der No.			L	L
320-N/2					***				

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



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

Form C-144 March 12, 2004

105 South Fourth Street, Artesia, NM 88210

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

Is pit or below-grade tank covered by a "general plan"? Yes

Type of action: Registration of a pit or		w-grade tank 🔲		
Operator: Yates Petroleum Corporation Telephon Address: 104 South 4th Street, Artesia, New Mexico 88210 Facility or well name: Everette OO Federal Corn. #10 API #: 30-00: County: Chaves Latitude Longitude		5S R 24E	Private   Indian	
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			
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points)	RECEIVED	
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points)	NOV 0 3 2004 OOD-ARTERIA	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points)		
	Ranking Score (Total Points)	20		
If this is a pit closure: (1) attach a diagram of the facility showing the pit's onsite  offsite  If offsite, name of facility date. (4) Groundwater encountered: No  Yes  If yes, show depth belo diagram of sample locations and excavations.	(3) Attach a general description of remedial a	action taken including re		
Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve the	general pennit (8), or an (attached) alternative Signature relieve the operator of liability should the contents	OCD-approved plan (	ninate ground water or	
Appropriov 8 2004  Date: Name/Title  As a condition of approval, if during construction water is encountered or if water seeps in pits after construction the OCD MUST BE CONTACTED IMMEDIATELY!	As a conditional detailed closure may of the second closure may be filed.	sure plan before	al	

#### YATES PETROLEUM CORPORATION Everette "OO" Federal Com. #10

1980' FNL and 1780' FWL Section 26-T5S-R24E Chaves County, New Mexico

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

San Andres	640'
Glorieta	1490'
Yeso	1615'
Tubb	3015'
Abo	3660'
Wolfcamp	4320'
Basement - Granite	5160'
TD	5260'

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

Water:

150'-800'

Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 11 3/4" 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)

Hole Size	Casing Size	Wt./Ft	<u>Grade</u>	Coupling	<u>Interval</u>
14 3/4	11 3/4"	42#	H-40	ST&C	0-1000'
11	8 5/8"*	24#	J-55	ST&C	0-1500'
7/7/8"	5 1/2"	15.5#	J-55	ST&C	0-5260'

<sup>\*8 5/8&</sup>quot; will only be set if lost circulation is encountered

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

### Everette "OO" Federal Com #10 Page 2

#### A. CEMENTING PROGRAM:

Surface Casing: 200 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C" + 2% CaCL2 (YLD 1.32 WT 15.6).

Intermediate Casing: 250 sx Lite (YLD 2.0 WT 12.0) Tail in with 200 sx Class C+2% CACL2 (YLD 1.32 WT 14.8)

Production Casing: 350 sx Super C (YLD 1.67 WT 13.0). TOC 3100'.

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

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0-900'	FW GEL,Paper,LCM	8.6 - 9.0	32-36	N/C
900'-1500'	Cut Brine	8.6 - 9.0	29	N/C
1500'-3630'	Brine	10 - 10.2	28	N/C
3630'-5260'	Salt Gel/Starch/Oil/LCM	9.0 - 9.8	34-45	<10/cc

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: Platform Express CNL/LDT, W/NGT TD –Surf csg; with GR/CNL 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: 5295' 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 YATES PETROLEUM CORPORATION

Everette "OO" Federal Com #10 1980' FNL and 1980' FWL

Section 26-T5S-R24E 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 42 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

#### DIRECTIONS:

Go north of Roswell, NM on 285 approx. 25 miles from the intersection of 70 & 285 to Dona Anna Road. Turn east on Dona Anna and go approx. 10.6 miles. The new road will start here and go SE for approx. 0.2 of a mile to the SW corner of the pad.

#### PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 1300' in length from the point of origin to the southeast corner of the pad. The road will lie in a southeasterly direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. Existing roads will be maintained in the same or better condition as they are now.

#### 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 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.

### Everette "OO" Federal Com. #10 Page 2

#### 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.

#### 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: This APD is being used to apply for the on lease flow line from this well to the tie-in point on the Everette "OO" Fed. #3 location in the NENE of Section 26-T5S-R24E. A map of the proposed pipeline is included as Exhibit "E".

#### 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.
- C. A 400' x 400' 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 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.

#### Everette "OO" Federal Com. #10

11. SURFACE OWNERSHIP:

Miller Living Trust 12600 Paseo Cerro Saratoga, CA 95075

Yates and the private surface owners have agreed as to the operations to be conducted on this well.

#### 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.

#### 13. OPERATOR'S REPRESENTATIVE:

A. Through A.P.D. Approval: B. Debbie Caffall, Regulatory Agent Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471

Through Drilling, Completions & Prod. Pinson McWhorter, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 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.

3/1/2006

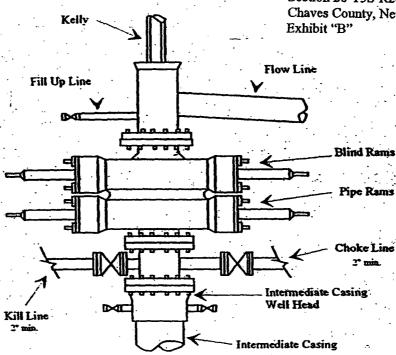
egulatory Agent

### **Yates Petroleum Corporation**

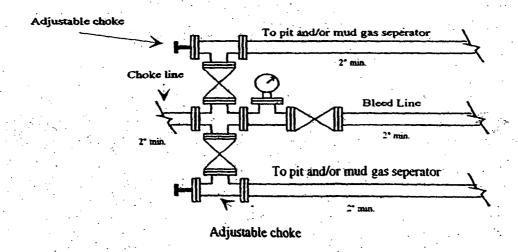
Typical 2,000 psi Pressure System Schematic

Double Ram Preventer Stack

Yates Petroleum Corporation Everette "OO" Federal Com. #10 1980' FNL & 1780' FWL, Unit F Section 26-T5S-R24E Chaves County, New Mexico Exhibit "B"



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



SECTION 26, TOWNSHIP 5 Swart, RANGE 24 EAST, NMPM, CH. ... COUNTY, NEW MEXICO. OFOO AT IN INLET .85**:**\$8'E.,/21.5' 0£21.\$ **"**00 EVERETTE FEDERAL COM.#10 12+83.9 PRIVATE 1980' FNL & 1780' FWL, Unit F Section 26-T5S-R24E 井 Chaves County, New Mexico Exhibit "E" Som Everette "OO" Federal

DESCRIPTION:

A PIPELINE RIGHT OF WAY 30 FEET WIDE, BEING 15 FEET TO THE LEFT AND RIGHT OF THE FOLLOWING DESCRIBED SURVEY CENTERLINE.

BEGINNING AT STA.0+00, A POINT LOCATED S.70°58'E., 2,081.2 FEET DISTANT FROM THE NORTHWEST CORNER OF SECTION 26, TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM, CHAVES COUNTY, NEW MEXICO; THENCE S.85°58'E., 21.5 FEET TO STA.0+21.5; THENCE S.4°02'W., 1,262.7 FEET TO STA.12+83.9, A POINT LOCATED S.44°24'E., 2,715.4 FEET DISTANT FROM THE NORTHWEST CORNER OF SAID SECTION 26.

1,283.9 FEET = 77.8121 RODS, MORE OR LESS, ALL OF WHICH ARE ON LEASE.

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH THE BASED WERE DONE UNDER MY DIRECTION AND THE LATISCCURRARLY DEPICTS THE RESULTS OF SAID SURVEY AND CHRIST HE RESULTS OF SAID SURVEY AND CHRIST HE RESULTS OF THE STANDARDS FOR LAND SAID MEXICO AS ADOPTED BY THE NEW MERICO STATE BURNO OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LANDISH WEYORS.

3640

GENERAL SURVEYING COMPANY P.O. BOX 1928 LOVINGTON, RESSIONAL NEW MEXICO 88260

1000' 0 1000' 2000'

Scale 1" = 1000'

YATES DETROLEUM CODD

YATES PETROLEUM CORP.

PIPELINE TO CONNECT THE YATES EVERETTE
"OO" FEDERAL COM. \$10 LOCATED IN SECTION
26, TOWNSHIP 5 SOUTH, RANGE 24 EAST,
NMPM, CHAVES COUNTY, NEW MEXICO.

Survey Date: 4/09/2001	Sheet	1		of	. 1	Sheets :
Orawa By: Ed Blevins	W.Q.	Nun	ıber			<del></del>
Date: 5/1/3/01	Scole	1"	=	1000°	EVE	RETTE 10



### **United States Department of the Interior**

#### **BUREAU OF LAND MANAGEMENT**

Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201

IN REPLY REFER TO: Everette "OO" Federal #10 NM-28297

page 1 of 2

Yates Petroleum Corporation shall adhere to the following;

- A. Mitigation Measure: The Conditions of Approval attached to the previously approved APD are still imperative and shall be essential in the approval of the resubmitted APD.
- B. The following mitigating measure supersedes some of the original Condition of Approval requirements:

#### **Exhibit B - WELL DRILLING REQUIREMENTS**

#### II. WELL PAD CONSTRUCTION REQUIREMENTS:

#### D. Reserve Pit Requirements:

- a. Upon reclamation of the reserve pit, the impervious, reinforced, synthetic or fabricated <u>12</u> mil in thickness liner shall be used to encapsulate the reserve pit cuttings.
- b. The dried cuttings in the reserve pit shall be buried a minimum depth of three (3) feet below ground level.
- c. The reserve pit area shall be covered with a three (3) feet minimum cap of clean soil or like material that is capable of supporting native plant growth. Once the reserve pit contents have been capped, the cap shall not be disturbed without NMOCD approval.
- d. Should the cuttings in the reserve pit not meet the three (3) feet below ground level depth, the excess contents shall be removed from the reserve pit until the required minimum depth of three (3) feet below ground level requirement has been met. The excess cuttings shall be removed from the well location and shall be properly disposed of at an authorized disposal site.
- e. Contact Randy Legler at (505) 627-0215, three days before commencing the reserve pit reclamation.

#### V. SURFACE RECLAMATION/RESTORATION REQUIREMENTS:

E. Upon abandonment of the well, the surface material (caliche/gravel) shall be removed from the access road. The removal of surface material shall be done with the minimal amount of mixing of the caliche or gravel material with the in place subsurface soils. The Authorized Officer shall be notified by the Holder for the proper disposal of the surfacing material from the well pad and access road.

#### Split Estate:

F. On private estate land the restoration procedures on the reclamation of the access road and well pad shall be accomplished in accordance with the Private Surface Land Owner concurrence. If the surface land owner does not retain the access road and/or well pad for his ranch operations, upon abandonment of this well, the surface material (caliche/gravel) shall be removed from the access road and well pad.

#### VII. ON LEASE – WELL REQUIREMENTS:

#### H. Painting Requirement:

All above-ground structures (e.g.: meter houses, tanks, above ground pipelines, and related appurtenance, etc.) not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Supplemental Environmental Colors" intended to provide additional color choices in selecting the most appropriate color(s) for BLM facilities. The color selected for painting all the well facilities is; Olive Drab, Supplemental Chart Number 18-0622 TPX.