

*Boon* 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

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

1a. Type of Work: ☒ DRILL ☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

5. Lease Serial No.  
**NM-82902**

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.  
**Domino AOJ Fed. Com. #7**

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**

9. API Well No.  
**30-015-31948**

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)

At surface **1650' FNL & 660' FWL**  
At proposed prod. Zone **same as above**

10. Field and Pool, or Exploratory  
**Wildcat Mississippian**

11. Sec., T., R., M., or Blk, and Survey or Area  
**Section 8, T19S-R31E**

14. Distance in miles and direction from nearest town or post office\*  
**15 miles SE of Loco Hills, NM**

12. County or Parish  
**Eddy**

13. State  
**NM**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **1650'**

16. No. of Acres in lease **120.00**

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

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **2640'**

19. Proposed Depth **12,400**

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **3506' GL**

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

23. Estimated duration **60 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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized office.

25. Signature *Cy Cowan* Name (Printed/Typed) **Cy Cowan** Date **7/1/03**

Title:

**Regulatory Agent**

Approved by (Signature) */s/ Joe G. Lara* Name (Printed/Typed) **/s/ Joe G. Lara** Date **31 JUL 2003**

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.

**APPROVAL FOR 1 YEAR**

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

CAPITAN CONTROLLED WATER BASIN

District I  
1625 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  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102  
Revised August 15, 2000

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name <b>Wildcat Mississippian</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>DOMINO AOJ FEDERAL COM.</b>	<sup>6</sup> Well Number <b>7</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>	<sup>9</sup> Elevation <b>3455'</b>

<sup>10</sup> Surface Location

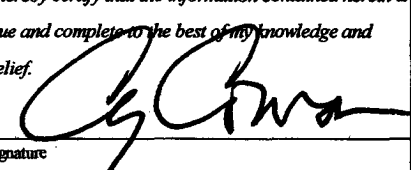
UL or lot no. <b>E</b>	Section <b>8</b>	Township <b>19S</b>	Range <b>31E</b>	Lot Idn	Feet from the <b>1650</b>	North/South line <b>South</b>	Feet from the <b>660</b>	East/West line <b>West</b>	County <b>Eddy</b>
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<sup>11</sup> Bottom Hole Location If 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
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<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<b>NM-101112</b> 1650'	<b>NM-82902</b>	<b>NM-94614</b>	<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>Cy Cowan</b> Printed Name <b>Regulatory Agent</b> Title <b>6/30/2003</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

DISTRICT I  
1885 E. French St., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1050 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV  
2940 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999  
Instructions on back  
Submit to Appropriate District Office  
State Leases - 4 Copies  
Fee Leases - 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 Mississippian
Property Code	Property Name	Well Number
	DOMINO "ADJ" FEDERAL COM.	7
OGED No.	Operator Name	Elevation
025575	YATES PETROLEUM CORPORATION	3500

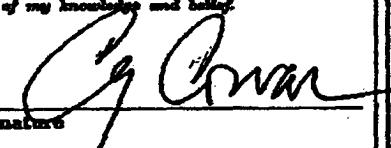
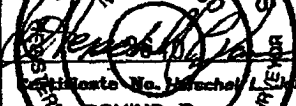
Surface Location

UL or lot No.	Section	Township	Range	Lot Mn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	19S	31E		1650	NORTH	660	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Mn	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

<div>NM-101112 1660' 8581 8511 860' 3493 3498 N.32°40'39.5" W.103°53'52.7"</div>	<div>NM-82902</div>			<div>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Regulatory Agent Title June 12, 2001 Date</div>
<div>NM-94614</div>				<div>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. 6/07/2001 Date Surveyed  Signature &amp; Seal of Professional Surveyor Herschell L. Jones Certificate No. Herschell L. Jones RLS 3640 DOMINO 7 GENERAL SURVEYING COMPANY PROFESSIONAL</div>

**YATES PETROLEUM CORPORATION**

Domino AOJ Federal Com. #7

1650' FNL & 660' FWL

Section. 8 -T19S-R31-E

Eddy County, New Mexico

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

Yates	2340'
Queen	3450'
Bone Springs	6750'
Wolfcamp	9900'
Strawn	10900'
Atoka	11100'
Morrow Clastic	11650'
Chester	12150'
TD	12400'

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

Water: Approximately 250' - 350'

Oil or Gas: All Potential Zones

3. Pressure Control Equipment: BOPE will be installed on the 8 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>Coupling</u>	<u>Interval</u>	<u>Length</u>	
WITNESS	17 1/2"	13 3/8"	48#	H-40	ST&C	0-600'	600'	WITNESS
	12 1/4"	8 5/8"	32#	J-55	ST&C	0-3500'	3500'	
	7 7/8"	5 1/2"	17#	L-80	LT&C	0-3300'	3300'	
	7 7/8"	5 1/2"	17#	J-55	LT&C	3300-7400'	4100'	
	7 7/8"	5 1/2"	17#	N-80	LT&C	7400-10400'	3000'	
	7 7/8"	5 1/2"	20#	P-110	LT&C	10400-12400'	1000'	

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

**B. CEMENTING PROGRAM:**

Surface casing: 250 sx Lite (Yld 2.01 Wt.12.4) Tail in w/200 sx "C" (Yld 1.34 Wt 14.8)

Intermediate Casing: 1300 sx Lite (Yld 2.06 Wt 12.4); Tail in w/200 sx "C"  
(Yld 1.32 Wt. 14.8)

Production Casing: TOC-6200', 975 sx Super "C" (Yld 1.67 wt. 13.0).

**5. Mud Program and Auxiliary Equipment:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-600'	FW/Spud Mud	8.4-9.0	32-36	N/C
600'-3500'	Brine	10.0-10.2	28	N/C
3500'-10900'	Cut Brine	8.8-9.2	28	N/C
10900'-TD	Salt Gel/Starch/Drispac	9.5-10.0	32-40	<12

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: GR, NEUTRON, DENSITY, LATERLOG.

Coring: As warranted.

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 600'	Anticipated Max. BHP:	250	PSI
From: 600'	TO: 3500'	Anticipated Max. BHP:	1800	PSI
From: 3500'	TO: TD	Anticipated Max. BHP:	6400	PSI

No abnormal pressures or temperatures are anticipated.

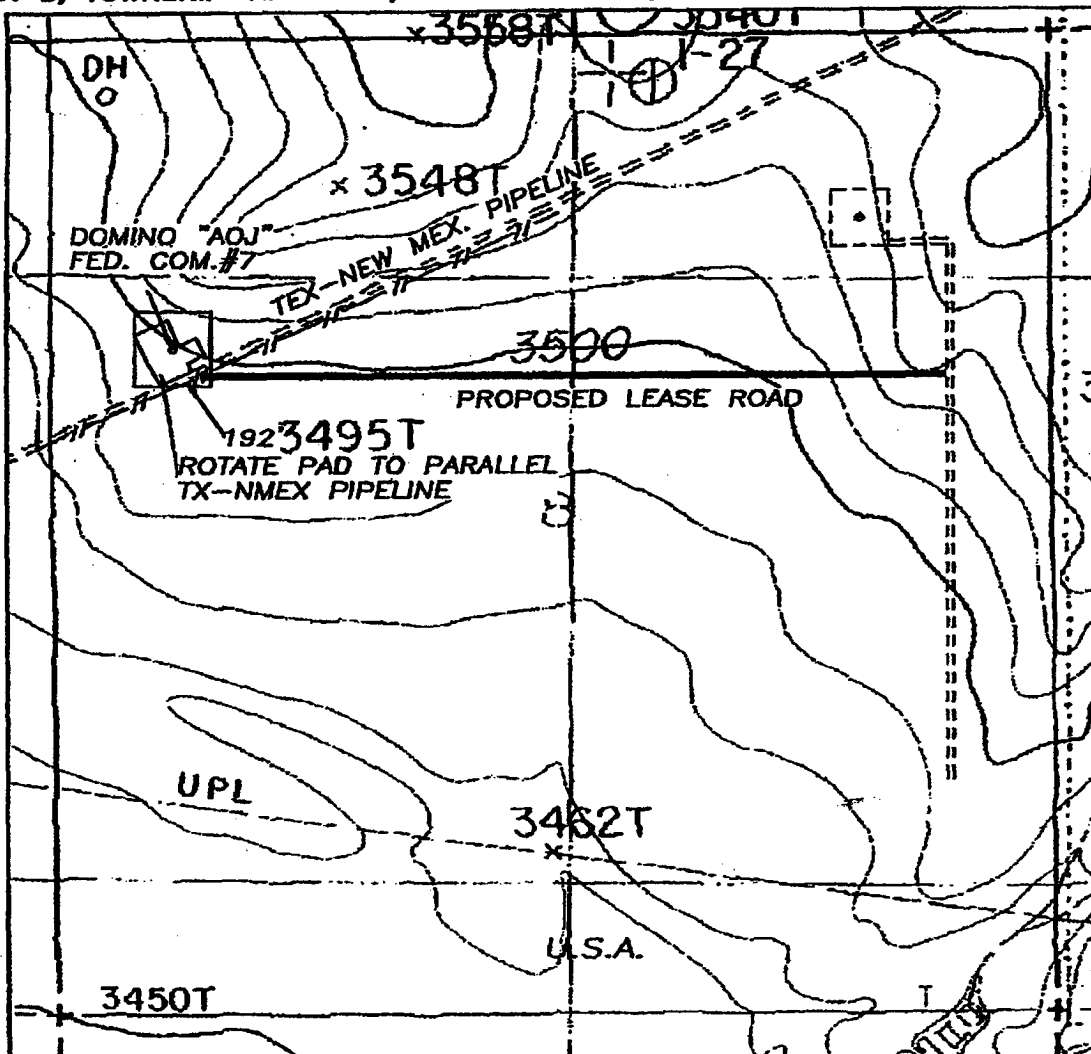
Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None

**8. ANTICIPATED STARTING DATE:**

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 45 days to drill the well with completion taking another 15 days.

SECTION 8, TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



**Yates Petroleum Corporation**  
 105 SOUTH 4th STREET  
 ARTESIA, NEW MEXICO 88210

Domino AOJ Federal Com. #7  
 1650' FNL and 1980' FWL  
 Section 8, T19S-R31E  
 Eddy County, New Mexico  
 NM-82902

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

THE PREPARATION OF THIS PLAN AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAN ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEETS 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.

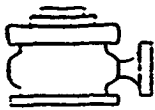
3640  
 HERSCHEL L. JONES, R.L.S. No. 3640

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

**YATES PETROLEUM CORP.**

LEASE ROAD TO ACCESS THE YATES DOMINO  
 "AOJ" FEDERAL COM. #7 LOCATED IN SECTION  
 8, TOWNSHIP 19 SOUTH, RANGE 31 EAST,  
 NMPM, EDDY COUNTY, NEW MEXICO.

Survey Date: 6/07/2001	Sheet 1 of 1 Sheets
Drawn By: Ed Blomberg	W.O. Number
Date: 6/11/01	Scale 1" = 1000' DOMINO 7

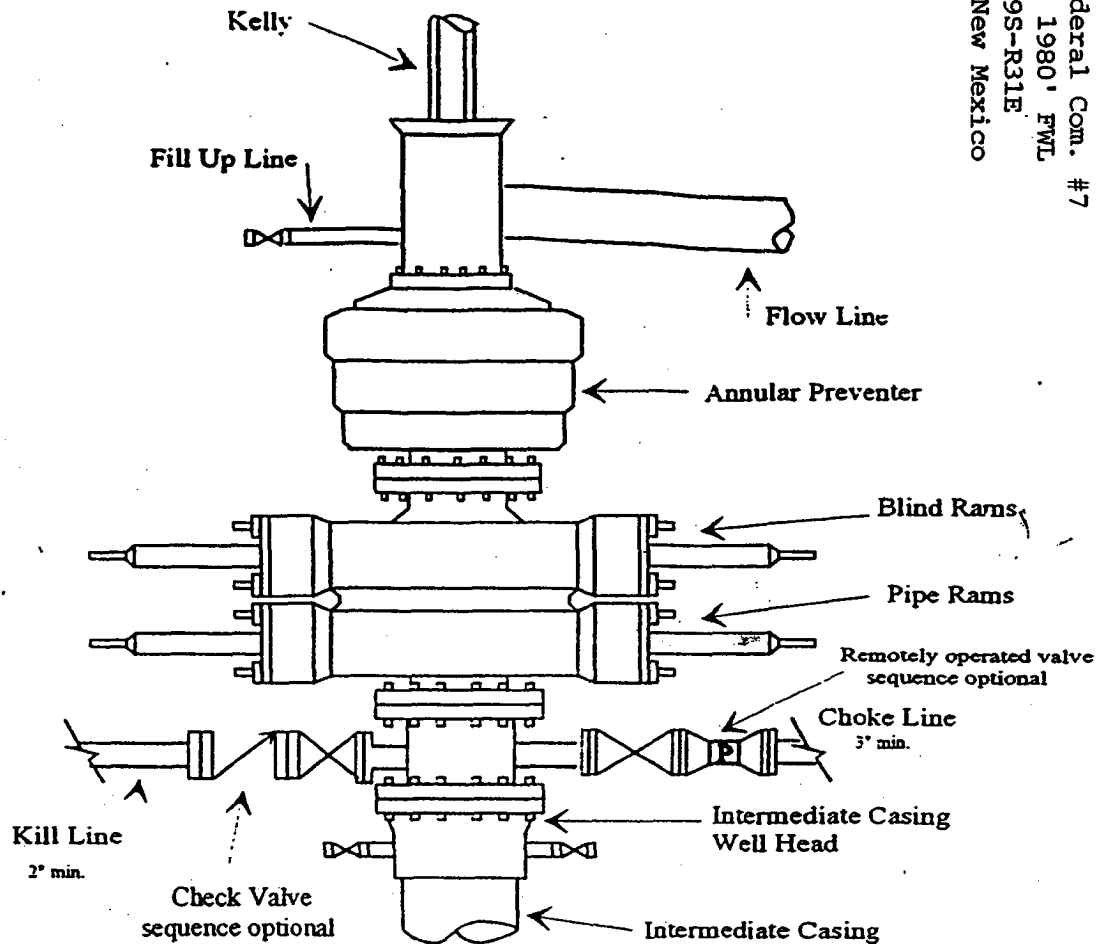


# Yates Petroleum Corporation

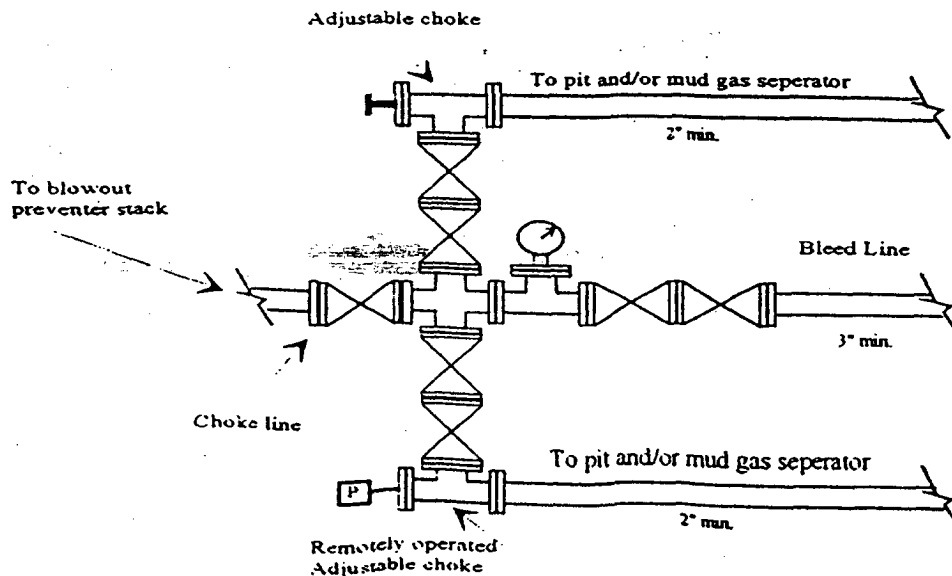
Typical 5,000 psi Pressure System  
Schematic  
Annular with Double Ram Preventer Stack

Domino AOJ Federal Com. #7  
1650' FNL and 1980' FNL  
Section 8, T19S-R31E  
Eddy County, New Mexico  
NM-82902

**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210



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



**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

Domino AOJ Federal Com. #7  
1650' FNL and 1980' FWL  
Section 8, T19S-R31E  
Eddy County, New Mexico  
NM-82902

# Yates Petroleum Corporation

Location Layout for Permian Basin  
12,000' to 14,000'

*Pits to the North.*

