

CEMENT TO COVER ALL  
OIL, GAS AND WATER  
BEARING ZONES

is. DIV-Dist. 2  
and Avenue  
JM 88210

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

JAN 24 2006

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.

NM-17208

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.

Dorothy "VO" Federal #3

9. API Well No.

30-005-63633

10. Field and Pool, or Exploratory

Wildcat Precambrian

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

Section 14, T8S-R26E

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) 97457  
(505) 748-1471

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

At surface 660' FNL and 660' FEL, Unit Letter A  
At proposed prod. Zone same as above

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

Approximately twenty (20) 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

1266.78

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

6740'

20. BLM/BIA Bond No. on file

NM-2811

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

3935' GL

22. Approximate date work will start\*

ASAP

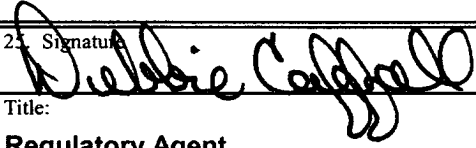
23. Estimated duration

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:

- 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:  Name (Printed/Typed) Debbie Caffall Date 12/5/2005

Title:

Regulatory Agent

Approved by (Signature)  Name (Printed/Typed) LARRY D. BRAY

Name (Printed/Typed)

Date

JAN 23 2006

Title

Assistant Field Manager,  
Lands And Minerals

Office

ROSWELL FIELD OFFICE

APPROVED FOR 1 YEAR

Application approved subject to 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

APPROVAL SUBJECT TO Previously Approved  
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  
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

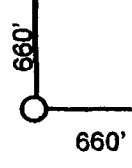
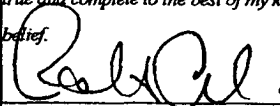
WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> APT Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name <b>Wildcat Precambrian</b>	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>DOROTHY VO FEDERAL</b>			<sup>6</sup> Well Number <b>3</b>
<sup>7</sup> OGRID No. <b>025575</b>		<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>			<sup>9</sup> Elevation <b>3953'</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>A</b>	<b>14</b>	<b>8S</b>	<b>26E</b>		<b>660</b>	<b>North</b>	<b>660</b>	<b>East</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

<b>NM-19208</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>Robert Asher</b> Printed Name	
					<b>Regulatory Agent</b> Title	
					<b>12/1/2003</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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor:   Certificate Number	

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Bravo Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

Energy, Minerals and Natural Resources Department

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	Well Number
	DOROTHY "VO" FEDERAL	3
OGRID No.	Operator Name	Elevation
025575	YATES PETROLEUM CORPORATION	3953

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	14	8S	26E		660	NORTH	660	EAST	CHAVES

### 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	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


### OPERATOR CERTIFICATION

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

*Patricia Perez*  
Signature

Patricia Perez  
Printed Name

Regulatory Agent  
Title

7/21/2003  
Date

### 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.

7/14/2003  
Date Surveyed

Signature & Seal of Professional Surveyor  
*Manuel L. Jones*

Certificate No. Manuel L. Jones RLS 3640  
DOROTHY 3  
GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2640' 2970' 3300' 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

Well  
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

105 South Fourth Street, Artesia, NM 88210

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

RECEIVED

OCT 21 2004

OCD-ARTESIA

Is pit or below-grade tank covered by a "general plan"? Yes ☒ CheckBox1

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

Operator: Yates Petroleum Corporation Telephone: 505-748-4376 e-mail address: debbiec@ypcnm.com

Address: 104 South 4<sup>th</sup> Street, Artesia, New Mexico 88210

Facility or well name: Dorothy VO Federal #3 API #: 30-005-63633 U/L or Qtr/Qtr NENE Sec 14 T 8S R 26E

County: Chaves Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Volume _____ bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> 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)
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)
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)
Ranking Score (Total Points)		0

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: 10/20/2004

Printed Name/Title Robert Asher/Regulatory Agent

Signature

Our 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 OCT 21 2004

Date:

Printed Name/Title

Signature

**YATES PETROLEUM CORPORATION**  
**Dorothy "VO" Federal #3**  
1980' FNL and 1980' FEL  
Section 14,-T8S-R26E  
Chaves County, New Mexico

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

San Andres	1145'
Glorieta	2240'
Yeso	2365'
Tubb	3816'
Abo	4570'
Wolfcamp	5270'
Cisco	5846'
Strawn	5965'
Mississippian	6200'
Siluro-Devonian	6345'
Basement-Granite Wash	6590'
TD	6740'

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 zones.

3. Pressure Control Equipment: BOPE will be installed on the 8 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>
12 1/4	8 5/8"	24#	J-55	ST&C	0-900'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-6740'

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

A. CEMENTING PROGRAM:

Surface Casing: 325 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C"  
+ 2% CaCL<sub>2</sub> (YLD 1.33 WT 15.6).

Production Casing: 550 sx PVL (YLD 1.34 WT 13.0). TOC 3000'.

*See @UA, Atkule*

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1000'	FW GEL, Paper, LCM	8.6 - 9.6	32-36	N/C
1000'-4450	Brine	10.0-10.2	28	N/C
4450'-6740'	Starch/Salt Gel	9.3 -10.2	32-40	<6/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: CNL/LDT, W/NGT TD-Surf csg; with CNL/GR up to Surf; DLL/MS  
FL TD-Surf csg; BHC Sonic TD-SURF CSG; FMI-TD – Top of Wolfcamp

Coring: None

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 1000'	Anticipated Max. BHP: 400 PSI
From: 1000'	TO: 6740'	Anticipated Max. BHP: 3000 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 25 days to drill the well with completion taking another 20 days.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Dorothy "VO" Federal #3**  
1980' FNL and 1980' FEL  
Section 14,-T8S-R26E  
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 18 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 70 to the Acme School House continue east of the school House on HWY 70 for approx. 3.6 miles. Just before mile marker 355 the access road to the Dorothy #2 starts here going north. Turn left here and drive north to the Dorothy #2. The access road will start on the east side of this location and will continue east on the south side of the pipeline approx. 1700'. Turn right (south) here and go approx. 200' to the NW corner of the well pad.

### **2. PLANNED ACCESS ROAD:**

- A. The proposed new access will be approximately 3900' in length from the point of origin to the northwest corner of the drilling pad. The road will lie in a north to south 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.

### **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 land fill. 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.
- 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 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: Carl Cooper  
Cooper Revocable Trust  
P.O. Box 2148  
Roswell, New Mexico 88202

An agreement has been reached concerning surface damage.

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.

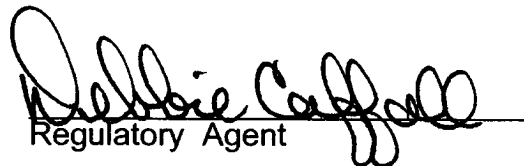
13. OPERATOR'S REPRESENTATIVE:

- |  |   |
|--|---|
| A. Through A.P.D. Approval:<br>Debbie Caffall, Regulatory Agent<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>Phone (505) 748-4376 | 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.

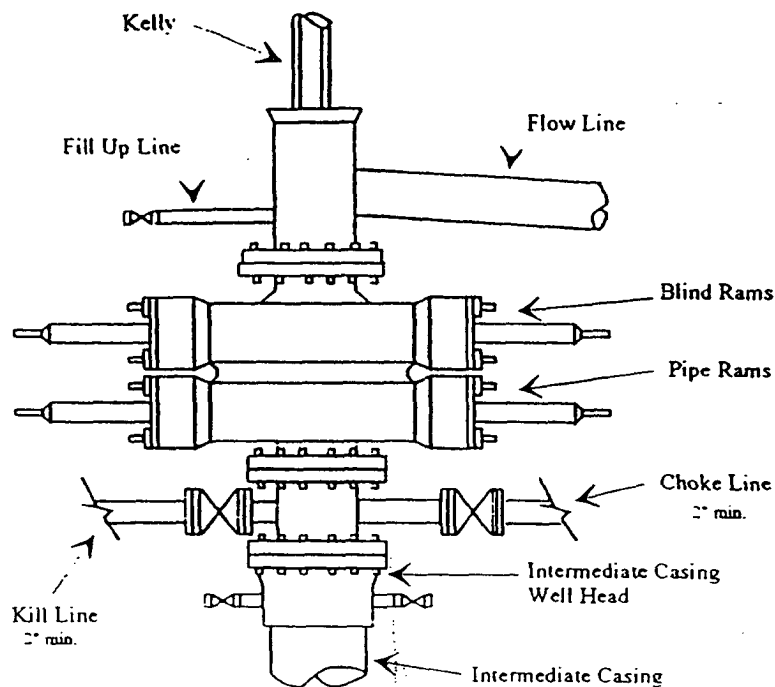
12/05/2005

  
Regulatory Agent

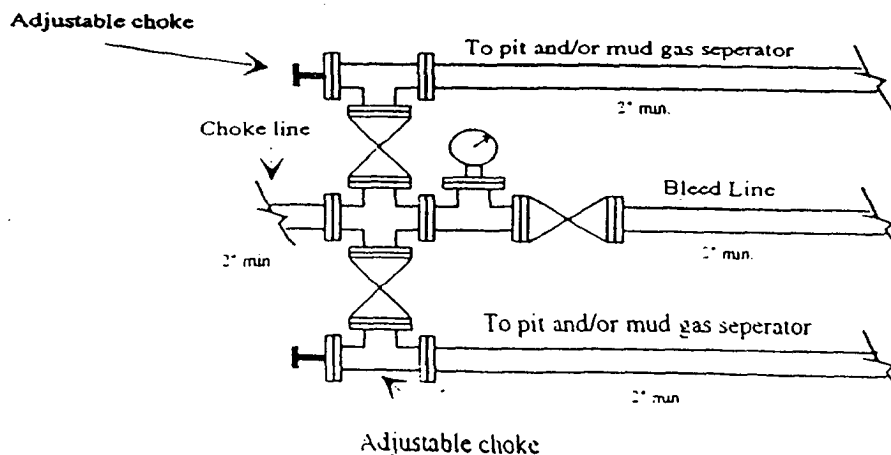
## Typical 2,000 psi Pressure System Schematic

### Double Ram Preventer Stack

Yates Petroleum Corporation  
Dorothy VO Federal #3  
360' FNL and 660' FEL  
Section 14-T8S-R26E  
Chaves County, New Mexico  
Exhibit "B"



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



# EXHIBIT A-1

Yates Petroleum Corporation

Dorothy "VO" Federal #3

Serial #: NM-17208

Section 14, T. 8 S., R. 26 E., NMPM,

660' FNL & 660' FEL, Unit Letter A

