

EC

OCD-ARTESIA

H-42

Form 3160-3
(August 1999)FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator
YATES DRILLING COMPANYContact: ROBERT ASHER
E-Mail: basher@ypcnm.com3a. Address
105 SOUTH FOURTH
ARTESIA, NM 882103b. Phone No. (include area code)
Ph: 505.748.4364
Fx: 505.748.4572

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

At surface SWSE 810FSL 1980FEL

At proposed prod. zone SWSE 810FSL 1980FEL

14. Distance in miles and direction from nearest town or post office*
APPROXIMATELY 18 MILES SOUTH OF ARTESIA, NM.15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
810'16. No. of Acres in Lease
480.0018. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
1320'19. Proposed Depth
10820 MD21. Elevations (Show whether DF, KB, RT, GL, etc.)
3447 GL

22. Approximate date work will start

5. Lease Serial No.
NMNM04510

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
PECOS RIVER DEEP UNIT 10

9. API Well No.

30-015-32863

10. Field and Pool, or Exploratory
MCMILLAN

Morrow, North

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

Sec 28 T19S R27E Mer NMP
SME: BLM12. County or Parish
EDDY13. State
NM

17. Spacing Unit dedicated to this well

X 40.00 320

20. BLM/BIA Bond No. on file

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 officer.

25. Signature
(Electronic Submission)Name (Printed/Typed)
CY COWAN Ph: 505.748.4372Date
05/22/2003Title
REGULATORY AGENTApproved by (Signature)
/s/ LESLIE A. THEISSName (Printed/Typed)
/s/ LESLIE A. THEISSDate
JUL 02 2003Title
FIELD MANAGEROffice
CARLSBAD FIELD OFFICEApplication approval does not warrant or certify 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.

Additional Operator Remarks (see next page)

APPROVAL SUBJECT TO Electronic Submission #22204 verified by the BLM Well Information System
GENERAL REQUIREMENTS AND For YATES DRILLING COMPANY, sent to the Carlsbad
SPECIAL STIPULATIONS permitted to AFMSS for processing by Linda Askwig on 05/27/2003 (03LA0530AE)
ATTACHED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

District I
1625 N. French Dr. Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1800 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, N M 87505

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		McMillan Morrow
Property Code	Property Name	Well Number
	PECOS RIVER DEEP UNIT	10
OGRID No.	Operation Name	Elevation
025575	YATES DRILLING COMPANY	3447

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
0	28	19 S	27 E		810	SOUTH	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
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

NM-026114		NM-04560
NM-0192530	NM-04560	NM-04510
	NM-04510	NM-04560
NM-04510	NM-04560	NM-04510

810'

1980'

OPERATOR CERTIFICATION

I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature

Printed Name Cy Cowan

Title Regulatory Agent

Date May 20, 2003

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 KNOWLEDGE AND BELIEF.

MAY 8, 2003

Date of Survey R. REDDY

Signature and Seal of Professional Surveyor

NEW MEXICO
5412
NM PROFESSIONAL SURVEYOR
Certificate Number

YATES DRILLING COMPANY
Pecos River Deep Unit #10
 810' FSL and 1980' FEL
 Section 28, T19S-R27E
 Eddy County, New Mexico

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

Queen	960'	Strawn	9520'
San Andres	1880'	Atoka	9730'
Bone Spring Lime	5510'	Morrow Clastics	10260'
3 rd Bone Springs Lime	7460'	Lower Morrow	10370'
Wolfcamp	7930'	TD	10820'
Cisco Canyon	8330'		

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	0-400'	400'
12 1/4"	9 5/8"	36#	J-55	ST&C	0-2800'	2800'
8 3/4"	5 1/2"	17#	L-80	LT&C	0-900'	900'
8 3/4"	5 1/2"	17#	J-55	LT&C	900'-2000'	1100'
8 3/4"	5 1/2"	15.5#	J-55	LT&C	2000'-6200'	4200'
8 3/4"	5 1/2"	17#	J-55	LT&C	6200'-8000'	1800'
8 3/4"	5 1/2"	17#	L-80	LT&C	8000'-9400'	1800'
8 3/4"	5 1/2"	17#	HCP-110	LT&C	9400'-10820'	2820'

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

Pecos River Deep Unit #10

Page 2

B. CEMENTING PROGRAM:

Surface casing: 500 sx Class 'C' + 2% CaCl₂ (YLD 1.32 WT 14.8).

Intermediate casing: Lead with 700 sx Lite (YLD 2.0 WT 12.5) Tail in w/200 sx Class C + 2% CaCl₂ (YLD 1.32 WT 14.8).

Production Casing: TOC 7400', Lead w/750 sx Super 'C' (YLD 1.63 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>
Spud to 400'	FW Gel/Paper	8.4-8.8	32-34	N/C
400'-2800'	Fresh Water	8.4	28	N/C
2800'-9650'	Cut Brine	8.6-9.6	28	N/C
9650'-10820'	S Gel/KCL/Starch/Drispac	9.6-10.0	32-38	<12cc

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: 0	TO 400'	Anticipated Max. BHP: 175	PSI
From: 400'	TO 2800'	Anticipated Max. BHP: 1225	PSI
From: 2800'	TO 10820'	Anticipated Max. BHP: 5600	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 189° 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.

YATES DRILLING COMPANY

105 South 4th Street

Artesia, NM 88210

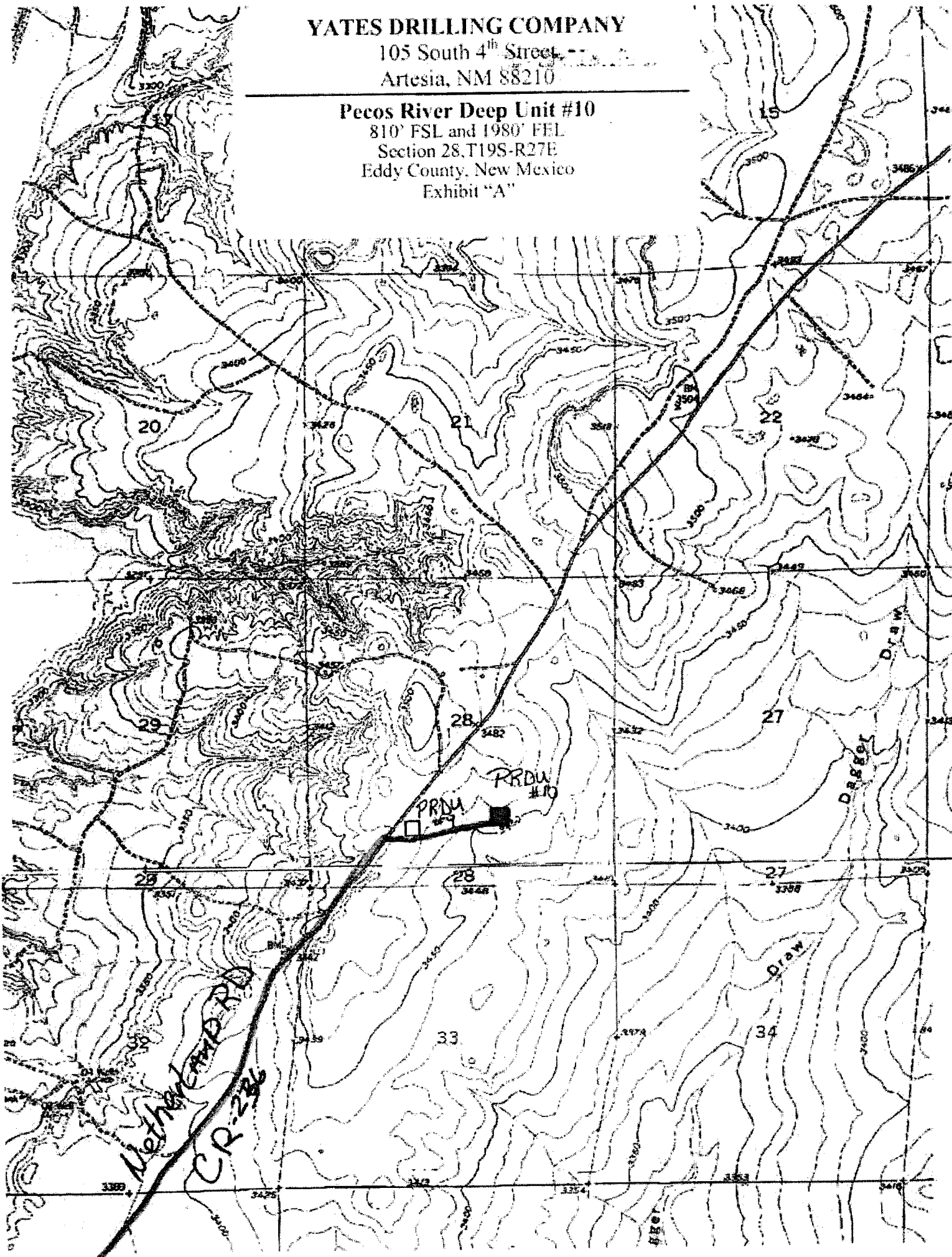
Pecos River Deep Unit #10

810' FSL and 1980' FEL

Section 28, T19S-R27E

Eddy County, New Mexico

Exhibit "A"



YATES DRILLING COMPANY

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

YATES DRILLING COMPANY

105 South 4th Street
Artesia, NM 88210

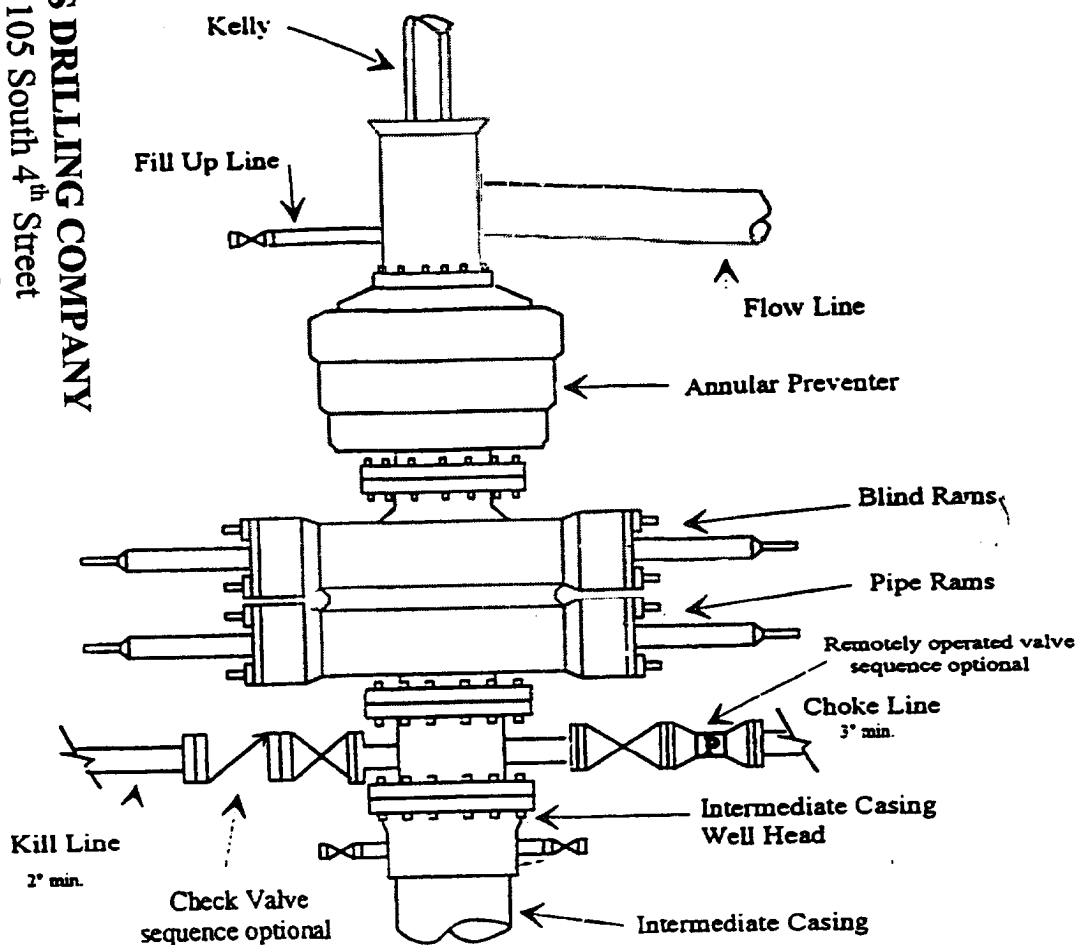
Pecos River Deep Unit #10

810' FSL and 1980' FEL

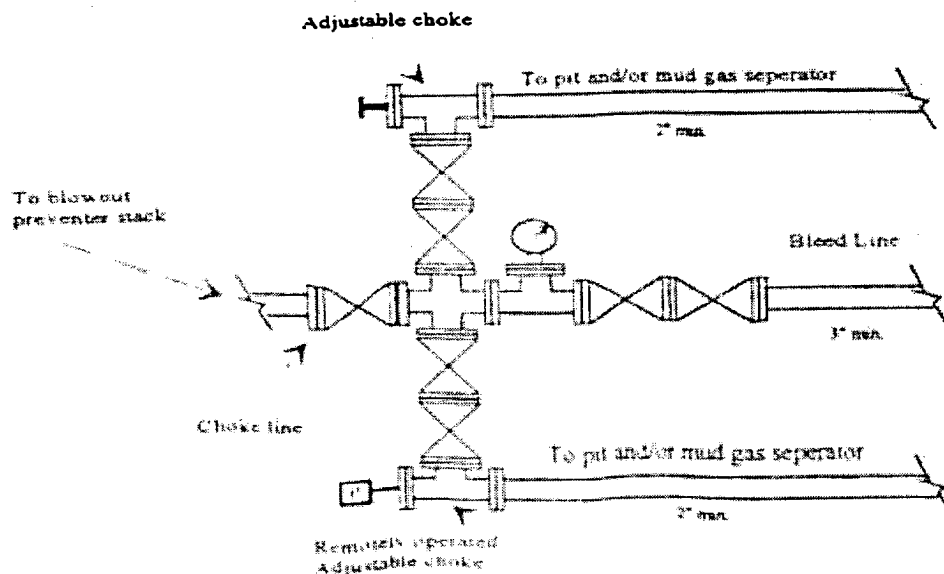
Section 28, T19S-R27E

Eddy County, New Mexico

Exhibit "B"

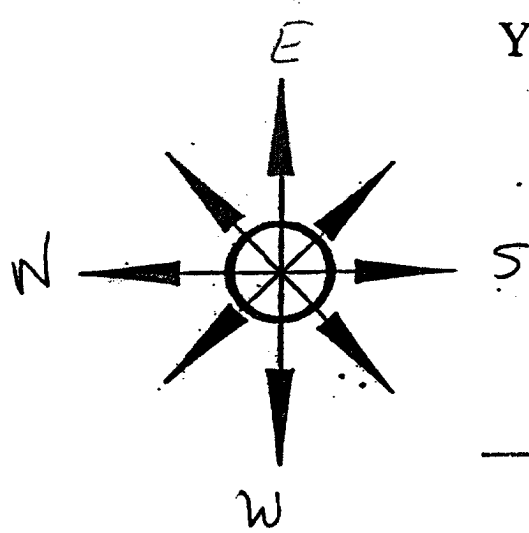


Typical 5,000 psi choke manifold assembly with at least these minimum features



DRILLING

PB - L1



YATES DRILLING COMPANY

Location Layout for Permian Basin

Up to 12,000'

PITS NORTH

YATES DRILLING COMPANY

105 South 4th Street

Artesia, NM 88210

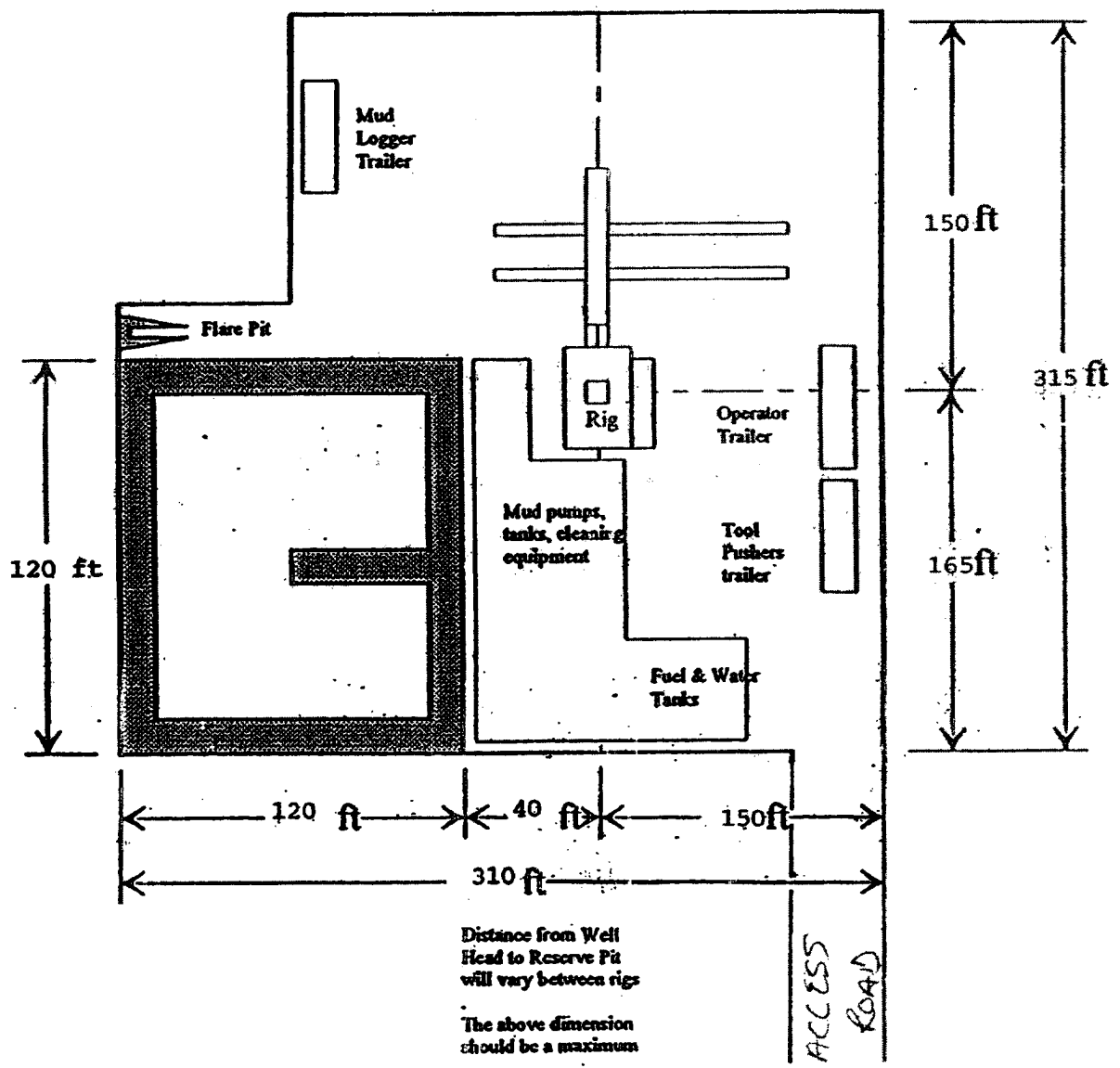
Pecos River Deep Unit #10

810' FSL and 1980' FEL

Section 28, T19S-R27E

Eddy County, New Mexico

Exhibit "C"



DISTRICT I
1626 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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
JUL 2003
RECEIVED
OCD - ARTESIA
161718
123456789101112
13141516171819202122232425262728293031

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name McMillan Morrow North
Property Code	Property Name Pecos River Deep Unit	Well Number 10
OGHD No. 025513	Operator Name YATES DRILLING COMPANY	Elevation 3447'

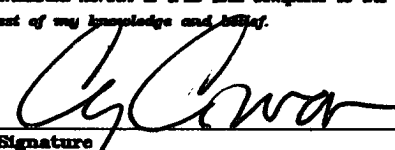
Surface Location

UL or lot No. 0	Section 28	Township 19S	Range 27E	Lot Mn	Feet from the 810'	North/South line South	Feet from the 1980'	East/West line East	County Eddy
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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 320	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

		NM-04560		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Regulatory Agent Title July 10, 2003 Date
		NM-04510		
		NM-04560		
		NM-04570	1980	
				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 Surveyed Signature & Seal of Professional Surveyor Certificate No. Herschel L. Jones RLS 3640 GENERAL SURVEYING COMPANY