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		ta .	ONIB No. 1	
UNITED STATE	Princia, NM 0061V	039	Expires Noven	ıber 30, 2000
DEPARTMENT OF THE	NTERIOR	m Hitu	5 Lease Serial No.	
BUREAU OF LAND MANA	GEMENT	· ()(^{- ب}	<u>NM-33266</u>	
APPLICATION FOR PERMIT TO D	RILL OR REENTER		6. If Indian, Allottee or	Tribe Name
1 Ippe of Work: T DRILL RE	ENTER		7. If Unit or CA Agreen	
—			1778	· · · · · · · · · · · · · · · · · · ·
b Clype of Well Oil Well Gas D Other	Single	Multiple Zone	8. Lease Name and Wel	
Well	Zone	Multiple Zolie	Huggins Federal #	14
2 Nume of Operator			9. API Well No.	
Yates Petroleum Corporation	T		30-005-	
Fin Address 105 South Fourth Street	3b. Phone No. (include area cod	,	10. Field and Pool, or Ex	ploratory
Artesia, New Mexico 88210	(505) 748-147	71	Pecos Slope Abo	
4. It is ution of Well (<i>Report location clearly and in accordance with an</i>	-		11. Sec., T., R., M., or B	ik, and Survey or Area
	& 660' FEL as above Unit F		Section 15 TES D	246
N proposed prod. Zone Same 14 Distance in miles and direction from nearest town or post office*	as above Unit F		Section 15, T5S-R 12. County or Parish	13. State
Approximately 33 Northeast of Roswell, New Mex	ico		Chaves	NM
15. Distance from proposed*	16. No. of Acres in lease	17. Spacing Ur	hit dedicated to this well	
location to nearest property or lease line, it. 660' (A so to nearest drig, unit line, if any)	160 - 320		NE/4	
Distance from proposed location* to statest well, drilling, completed, 1500' appled for, on this lease, ft.	19. Proposed Depth 3970'			
21 Hilevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will	start*	23. Estimated duration	
3951' GL	ASAP		30 D	ays
	24. Attachments			
i and dowing, completed in accordance with the requirements of Onsho	re Oil and Gas Order No. 1, shall b	e attached to this	form:	
I Will plat certified by a registered surveyor.	4. Bond to cove	er the operations	unless covered by an exist	ing bond on file (see
2 - A Drilling Plan	Item 20 abov	/e).		
2 A Surface Use Plan (if the location is on National Forest System Land	ls, the 5. Operator cert	ification.		
SUPO shall be filed with the appropriate Forest Service Office.	6. Such other si authorized of	•	ation and/or plans as may b	e required by the
2 signature Un Covan	Name (Printed/Typed)		i Dat	و 9/21/00
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Approved by (Signature)	Name (Printed/Typed)	e al terre		5 C
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Application approval does not warrant or certify that the applicant holds	l l		APPROVED F	
Application approval does not warrant or certify that the applicant holds operations thereon. Conditions of approval, if any, are attached.	regar or equitable title to those figr	as in the subject	ונימסט אוווניוו אטעום לוונוול נו	apprease to conduct
 Fitle 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make it a States any false. fictitious or fraudulent statements or representations as 			ake to any department or ag	ency of the United

* dustructions on reverse)

95/8"

Notify OCD spud & time to witness cementing of **CASING**

NERAL SUBJECT TO NERAL REQUIREMENTS AND FOLAL STIPULATIONS P DTRICT I F. 1 for 1950, Hobbs, NM 88240

1 JEFICE II 19 - De Wr. DE, Artembs, NM 86210

INECTICE IR Ital to Frenor Rd., Axtec, NM 87410

State of New Mexico

Energy, Minerals and Natural Besources Depar

Form C-102 Bovised February 10, 1994 Instruction on back Submit to Appropriate District Office State Lease - 4 Copies Foe Lease - 3 Copies

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

□ AMENDED REPORT

Avere Joint or Infill Consolidation Code Order No. JC JO 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 / Arreby certify the the dynamitem centered Arres is true and complete to the start of any therefore and there. JST 266 JST 3952 JST 3953 Regulatory Agent Num Arreby certify that the surf or run and complete for the September 21, 2000 Date Surveyed Signature Constrained Arres is used and the JST 2000 Date Surveyed Signature JST 2000 Date Surveyeed Sig				WELL LO	CATION	AND ACREA	AGE DEDICATION	ON PLAT			
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YATES PETROLEUM CORPORATION Huggins Federal #4 1400' FNL AND 660' FEL Sec. 15-T5S-R24E Chaves County, New Mexico

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

San Andres	585'
Glorieta	1425'
Yeso	1540'
Tubb	2910'
Abo	3545'
TD	3970'

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

Water:	225'-325'
Oil or Gas:	3545'

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)

<u>Hole Size</u>	Casing	Size Wt./Ft	Grade	Coupling	<u>Interval</u>	Length 900
14 3/4"	11 3/4"	42#	H40	ST&C	0-900'	900000
11"	8 5/8"*	24#	J55	ST&C	0-1500'	1500'
7 7/8"	4 1/2"	10.5#	J5 5	ST&C	0-3970'	3970'

- 1. Minimum Casing Design Factors: Callapse 1.125, Burst 1.0, Tensile Strength 1.80
- 2. Yates Petroleum Corporation requests that a variance be granted in requiring the casing and BOPE to be tested to 2000 PSI to testing the casing and BOPE to 1000 PSI. The rig pumps will be used to test the casing and BOPE. Rig pumps used in this area cannot safely test above 1000 PSI. We would have to go to the greater expense of hiring an independent service to do the testing. Also, the maximum shut-in bottom hole pressure is 1100 PSI. Pressure at the surface is much less. Most of the time the Abo formation requires treatment before it flows.
- * 8 5/8" will only be run if lost circulation is encountered.

Huggins Federal #4 Page 2

B. CEMENTING PROGRAM:

Surface casing: Cement with 200 sx Lite "C" (Yield 2.0, Wt. 12.5). Tail in with 200 sx "C" + 2% CaCl2 (Yield 1.33, wt. 15.6).

Intermediate Casing: 300 sx Lite (Yield 2.0, Wt. 12.0) Tail in with 200 sx Class "C" + 2% CaCl2 (Yield 1.33 Wt. 14.8)

Production Casing: TOC 3000' Cement with 300 sx Super "C" Modified (Yield 1.67 Wt 13.0).

5. Mud Program and Auxiliary Equipment:

Interval	Type	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
Spud - 900'	FWGel/Paper/LCM	8.6-9.0	32-36	N/C
900' - 150 0'	FW or Cut Brine	8.4-9.0	29	N/C
1500' – 3520 '	Brine	10.0-10.2	28	N/C
3520' – 3 970'	Salt Gel/Starch/Oil/LCM	A 9.1-9.4	34-35	<10cc

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: 20' samples out from surface casing to TD. Logging: DLL/MSFL, Neutron Density TD to surface casing; with GR/CNL to surface. Coring: None DST's: None

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

From:	0	To:	900'	Anticipated Max. BHP:	375 PSI
From:	900'	To:	TD	Anticipated Max. BHP:	1100 PSI

Abnormal Pressures Anticipated: None

Lost Circulation zones anticipated: None

H2S Zones Anticipated: None

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 15 days to drill the well with completion taking another 15 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN Yates Petroleum Corporation Huggins Federal #4 1400' FNL and 660' FEL Sec. 15-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 wellsite is located approximately 33 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 on Highway 285 for approximately 23 miles to Dona Ana Road. Turn east on Dona Ana and go approximately 7.1 miles. Continue northeast on Dona Ana Road and go approximately 4 miles to the Stancell Corral. Continue north for approximately .2 of a mile. Turn left and go approximately .6 of a mile to the second well location on the right side of the road. Follow the lease road to the north and cross Huggins Draw. Continue north on road (passing MYCO well sign). Continue north to the Huggins Federal #1 well site on the right. The access road will start here going east.

- 2. 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 drilling pad. The road will lie in a(n) west to east 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. The new road will be bladed with drainage on both sides. Traffic turnouts may be built.
 - D. The route of the road is visible.
 - E. 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.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN Yates Petroleum Corporation Huggins Federal #4 1400' FNL and 660' FEL Sec. 15-T5S-R24E Chaves County, New Mexico

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DIRECTIONS:

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- 2. PLANNED ACCESS ROAD:
 - A. The proposed new access will be approximately 1300' in length from the point of origin to the southwest corner of the drilling pad. The road will lie in a(n) west to east 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. The new road will be bladed with drainage on both sides. Traffic turnouts may be built.
 - D. The route of the road is visible.
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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.

Huggins Federal #4 Page 2

- 5. LOCATION AND TYPE OF WATER SUPPLY:
 - It is planned to drill the proposed well with a fresh water system. The water will be Α. obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.
- SOURCE OF CONSTRUCTION MATERIALS: 6.

The dirt contractor will be responsible for finding any surfacing materials needed and obtain any permits that may be needed for construction.

- METHODS OF HANDLING WASTE DISPOSAL: 7.
 - Drill cuttings will be disposed of in the reserve pits. Α.
 - Drilling fluids will be allowed to evaporate in the reserve pits until the pits are Β. dry.
 - Water produced during operations will be collected in tanks until hauled to an C. approved disposal system, or separate disposal application will be submitted.
 - Oil produced during operations will be stored in tanks until sold. D.
 - Current laws and regulations pertaining to the disposal of human waste will be Ε. complied with.
 - All trash, junk, and other waste materials will be contained in trash cages or F. bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.
- ANCILLARY FACILITIES: None. 8.
- WELLSITE LAYOUT: 9.
 - Exhibit C shows the relative location and dimensions of the well pad, the Α. reserve pits, the location of the drilling equipment, rig orientation and access road approach.
 - Β.
 - The reserve pits will be plastic lined. A 400' \times 400' area has been staked and flagged. C.
 - Pad will be rotated with the pits to the south. D
- PLANS FOR RESTORATION 10

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- After finishing drilling and/or completion operations, all equipment and other material Α. 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.
- Unguarded pits, if any, containing fluids will be fenced until they have dried and Β. been leveled.
- If the proposed well is non-productive, all rehabilitation and/or vegetation C. 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.
- SURFACE OWNERSHIP: Federal surface administered by Bureau of Land Management, 11. Roswell, New Mexico.

- 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. Through Drilling Operations, Completions and Production:

Cy Cowan, Regulatory Agent Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471 Brian Collins, 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.

09/21/00

Agent



YATES PETROLEUM COR, JRATION HUGGINS FEDERAL 4 1400/N & 660/E SECTION 15, TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.







Yaces Petroleum Corporation

Typical 2,000 psi Pressure System Schematic Double Ram Preventer Stack

Huggins Federal #4 1400' FNL & 660' FEL Section 15, T5S-R24E Chaves County, New Mexico NM-33266



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

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