

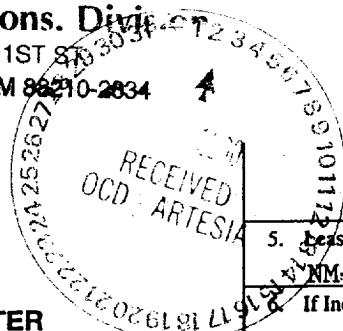
N. M. Oil Cons. Div.

811 S. 1ST ST
ARTESIA, NM 88210-2834

Form 3160-3
(August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER



FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-54991
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION 25575		7. If Unit or CA Agreement, Name and No. 12313
3a. Address 105 South Fourth St., Artesia, NM		8. Lease Name and Well No. Getty, PS 18 Federal #5
3b. Phone No. (include area code) 505-748-1471		9. API Well No. 30-005 # 63286
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1980' FSL & 1060' FWL At proposed prod. zone Same as above Unit L		10. Field and Pool, or Exploratory Pecos Slope Abo
14. Distance in miles and direction from nearest town or post office* Approximately 40 miles NE of Roswell, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area Section 18, T6S-R26E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1060'	16. No. of Acres in lease 468.61	12. County or Parish Chaves County
17. Spacing Unit dedicated to this well SW/4	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1700'	13. State NM
19. Proposed Depth 4250'	20. BLM/BIA Bond No. on file 585997	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3750' GL	22. Approximate date work will start* ASAP	23. Estimated duration 15 days
24. Attachment: ROSWELL CONTROLLED WATER BASIN		

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Cy Cowan	Date 6-9-00
Title Regulatory Agent		
Approved by (Signature) LARRY D. BRAY	Name (Printed/Typed)	Date SEP 20 2000
Title Assistant Field Manager, Lands And Minerals	Office ROSWELL FIELD OFFICE	

Application 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.

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) Notify OCD at SPUD & TIME to witness cementing the 8 5/8" casing.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
SPECIAL STIPULATIONS
ATTACHED

WITNESSES

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artesia, 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 Pecos Slope Abo
Property Code	Property Name GETTY "PS" 18 FEDERAL	Well Number 5
OGEID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3750

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	18	6S	26E		1980	SOUTH	1060	WEST	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 160.00	Joint or Infill	Consolidation Code	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

	OPERATOR CERTIFICATION I hereby certify the information contained herein is true and complete to the best of my knowledge and belief. Signature Cy Cowan Printed Name Regulatory Agent Title 6-9-00 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. 5/30/2000 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Hatched Jones RLS 3640 DISK 29 GENERAL SURVEYING COMPANY

**YATES PETROLEUM CORPORATION
GETTY PS 18 FEDERAL #5
1980' FSL AND 1060' FWL
Section 18,-T6S-R26E
Chaves County, New Mexico**

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

San Andres	615'
Glorieta	1530'
Yeso	1640'
Tubb	3065'
Abo	3715'
TD	4250'

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

Water:	200'-300'
Oil or Gas:	3715' to 4250'

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</u>	<u>Size Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8"	24#	J55	ST&C	0-900'	900' 925'
7 7/8"	4 1/2"	10.5#	J55	ST&C	0-4250'	4250'

- Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80
- A 2,000 psi BOP will be nipped up on the 8 5/8" casing and tested to 500 psi. YPC requests a variance be granted in requiring the casing and BOPE to be tested to 2000 psi to testing the casing and BOPE to 500 psi. The rig pumps will be used to test the casing and BOPE. Rig pumps used in this area cannot safely test above 500 psi. We would have to go to the greater expense of hiring an independent service company to do the testing. Also, the bottom hole pressure in this field is proven to be near 500 psi due to depletion. A shut in surface pressure would be less than 500 psi. The Abo formation usually requires stimulation before it flows. We feel that a 500 psi test will demonstrate that the BOPE is functioning properly, and in the unlikely event of a gas influx that the BOPE would be sufficient to control the well."

B. CEMENTING PROGRAM:

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

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

0-1600' Cement through 1" tubing after rig is moved out.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud - 900'	FW Gel/Paper/LCM	8.6-9.6	32-36	N/C
900' - 3690'	Brine	10.0-10.2	28	N/C
3690' to TD	Salt Gel/Starch/Oil/LCM	9.0-9.3	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 + DSN/SDL TD – surface casing; GR/DSN to surface.
 Coring: Non anticipated.
 DST's: None anticipated.

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

Anticipated BHP:

From: 0	To: 900'	Anticipated Max. BHP:	400 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
GETTY PS 18 FEDERAL #5
1980' FSL and 1060' FWL
Section 18,T6S-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 40 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 Cottonwood Road. Turn east and follow road approximately 14.3 miles to Roosevelt Road. Turn north for approximately 2.6 miles. The well location is on the east edge of Roosevelt County road.

2. PLANNED ACCESS ROAD:

- A. There will not be any access road.
- B. N/A
- C. N/A
- D. N/A
- E. N/A

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:

The dirt contractor will be responsible for finding any surfacing materials needed and will obtain any permits that may be 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, and the access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.
- D. Pad will be rotated with the pits to the north.

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: Private surface owned by Corn Brothers, Inc., 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:

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

B. Through Drilling Operations,
Completions and Production:

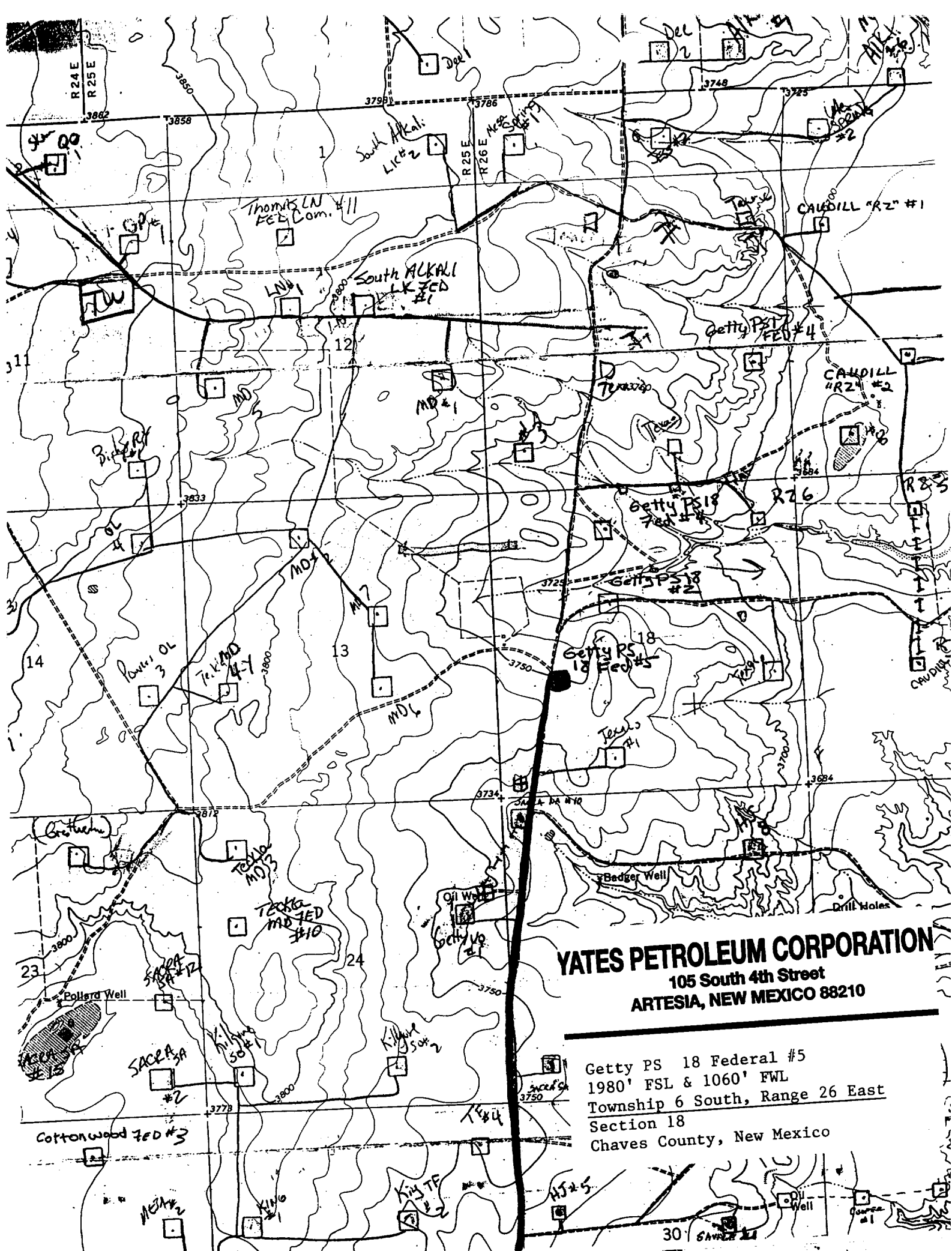
Brian Collins, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

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.

6/12/00

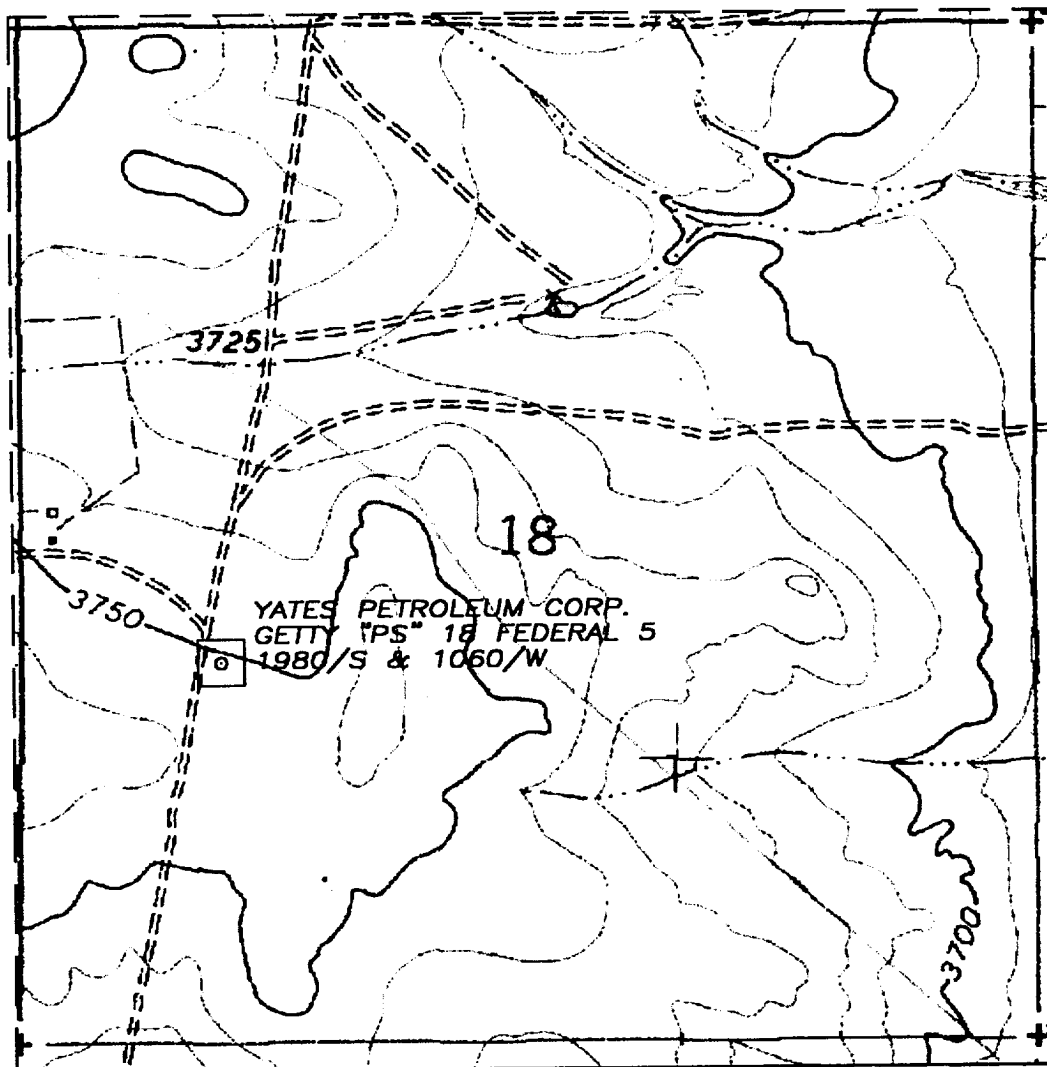

Regulatory Agent



YATES PETROLEUM CORPORATION
105 South 4th Street
ARTESIA, NEW MEXICO 88210

Getty PS 18 Federal #5
1980' FSL & 1060' FWL
Township 6 South, Range 26 East
Section 18
Chaves County, New Mexico

YATES PETROLEUM CORPORATION GETTY "PS" 18 F. #5, 1980/S & 1060/W
SECTION 18, TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.



50' 0 50' 100'
Scale 1" = 50'

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 MEET 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.

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

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

YATES PETROLEUM CORP.

YATES GETTY "PS" 18 FEDERAL #5 LOCATED
1980/S AND 660/W OF SECTION 18, TOWNSHIP
6 SOUTH, RANGE 26 EAST, NMPM, CHAVES
COUNTY, NEW MEXICO.

Survey Date: 5/30/2000	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 5/30/00	Scale 1" = 50' SHELLY 2

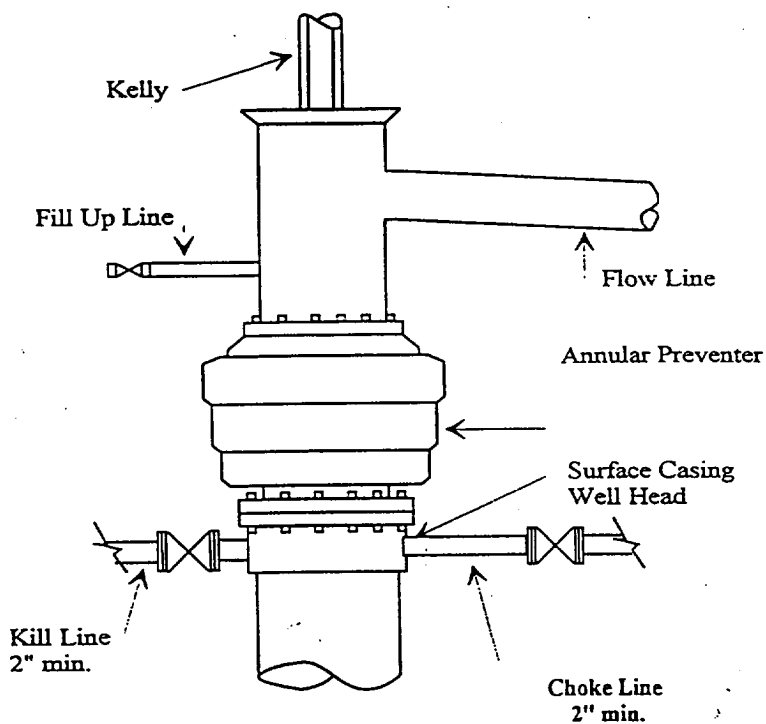
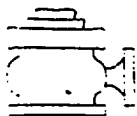
ARTES PETROLEUM CORPORATION

105 South 4th Street
ARTESIA, NEW MEXICO 88210

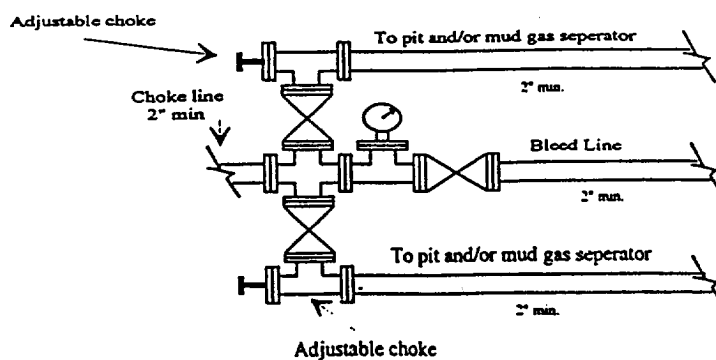
Getty PS 18 Federal #5
1980' FSL & 1060' FWL
Township 6 South, Range 26 East
Section 18
Chaves County, New Mexico

Artes Petroleum Corporation

Typical low Pressure System
Schematic
Annular Preventer 2,000 psi



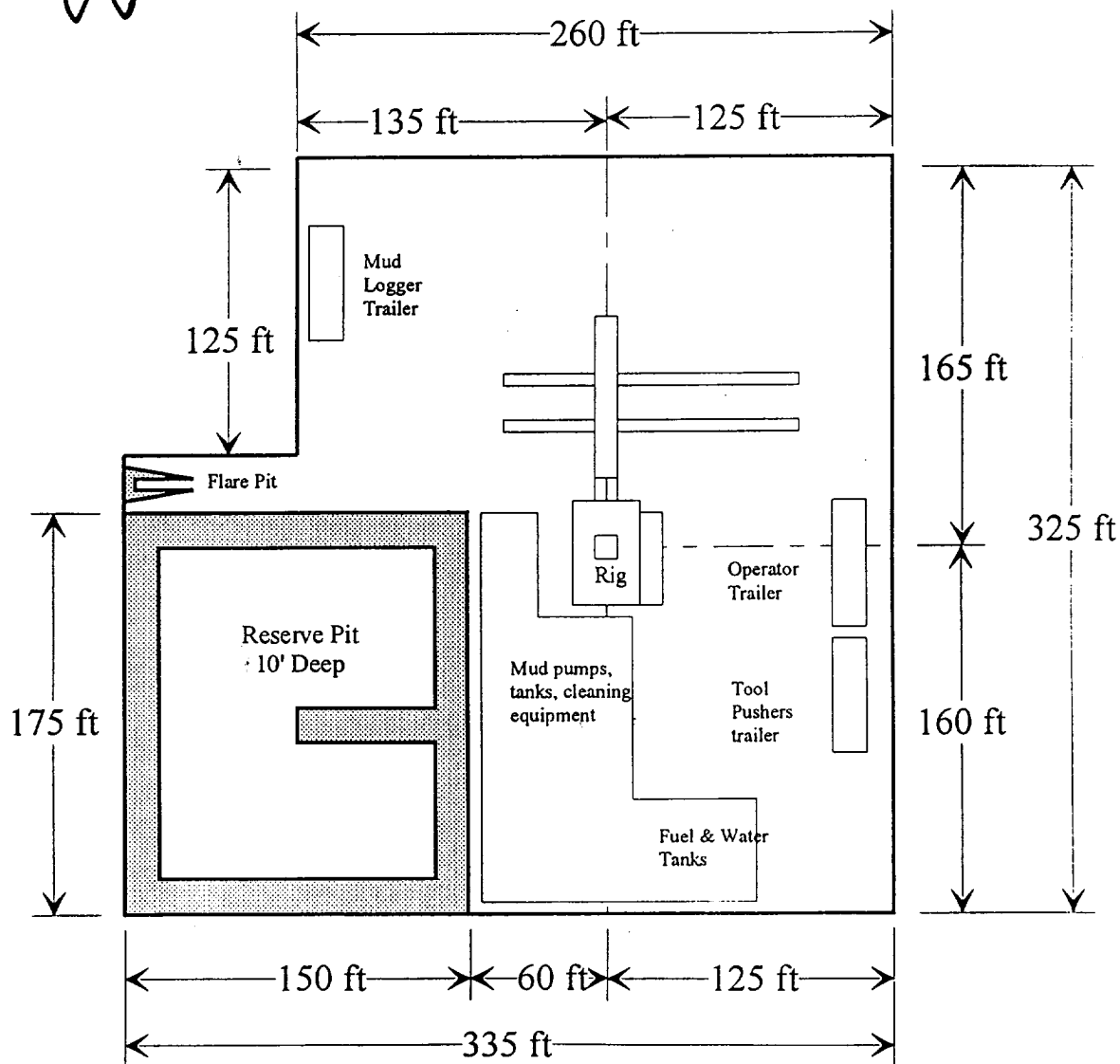
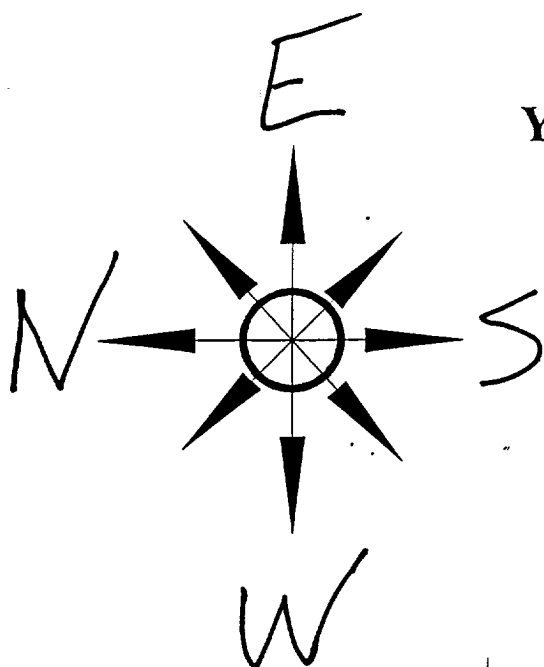
Typical 2,000 psi choke manifold assembly with at least these minimum features



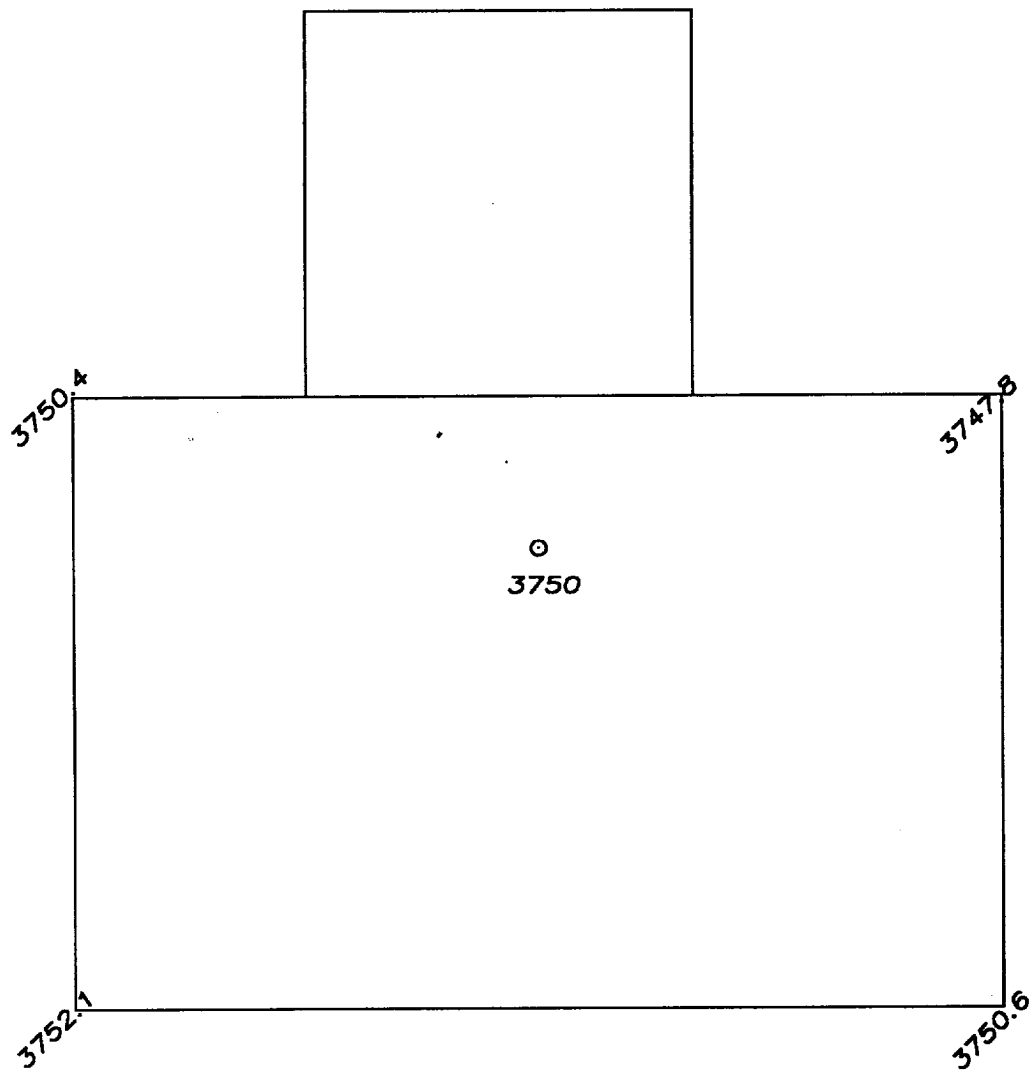
Yates Petroleum Corporation

Location Layout for Permian Basin

Up to 12,000'

YATES PETROLEUM CORPORATION105 South 4th Street
ARTESIA, NEW MEXICO 88210Getty PS 18 Federal #5
1980' FSL & 1060' FWL
Township 6 South, Range 26 East
Section 18
Chaves County, New MexicoDistance from Well
Head to Reserve Pit
will vary between rigsThe above dimension
should be a maximum

YATES PETROLEUM CO. ORATION GETTY "PS" 18 : J. #5, 1980/S & 1060/W
SECTION 18, TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.



50' 0 50' 100'
Scale 1" = 50'

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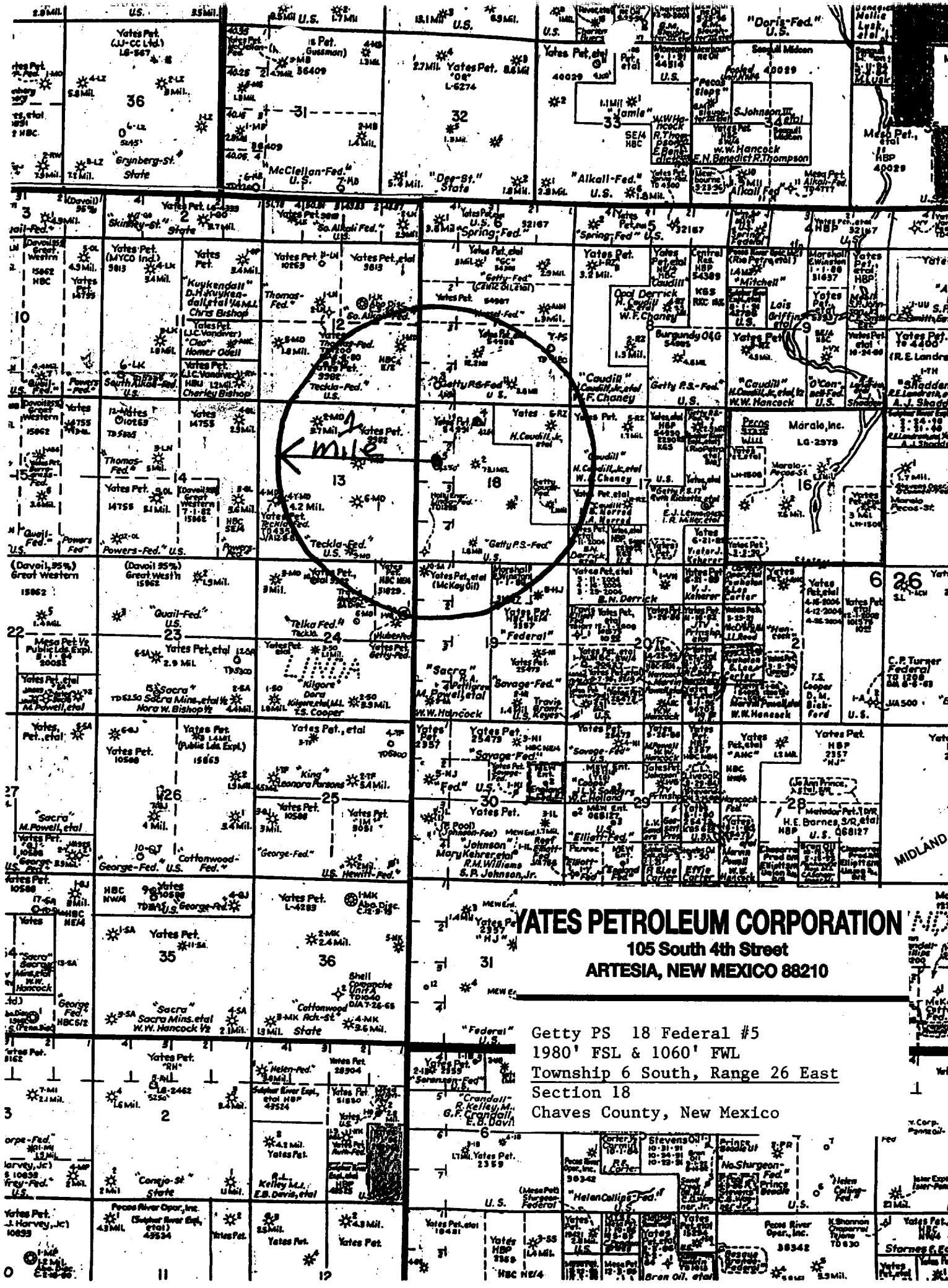
HERSCHEL ESSIONS N.M.S. No.3840

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

YATES PETROLEUM CORP.

WELL PAD PLAN VIEW ON THE YATES GETTY
"PS" FEDERAL #5 LOCATED 1980/S AND
1060/W OF SECTION 18, TOWNSHIP 6 SOUTH,
RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW
MEXICO.

Survey Date: 5/30/2000	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
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YATES PETROLEUM CORPORATION
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