

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

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

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

At surface 1980' FSL & 660' FEL

At proposed prod. Zone same

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

Approximately 32 miles northwest of Roswell, New Mexico

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

660'

16. No. of Acres in lease

320

17. Spacing Unit dedicated to this well

160 acres SE/4

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

800'

19. Proposed Depth

4200'

20. BLM/BIA Bond No. on file

585997

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

3722' GR

22. Approximate date work will start*

ASAP

23. Estimated duration

30 Days

ROS WELL CONTROLLED WATER BASIN

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 office.

25. Signature

Name (Printed/Typed)

Date

Cy Cowan

8/28/00

Title:

Regulatory Agent

Approved by (Signature)

Name (Printed/Typed)

Date

Office

Title

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.

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)

Operator to notify NMOCD time of spud
& time to witness 11 3/4" casing

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

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

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

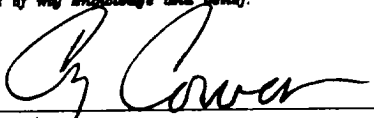
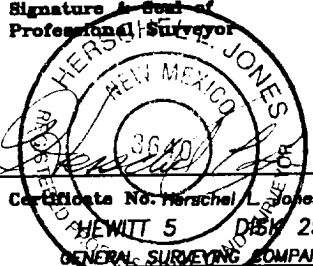
**P.O. Box 2088
Santa Fe, New Mexico 87504-2088**

☐ **AMENDED REPORT**

API Number	Pool Code	Pool Name Pecos Slope Abo
Property Code	Property Name HEWITT "IM" FEDERAL	Well Number 5
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3722

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	25	6S	25E		1980	SOUTH	660	EAST	CHAVES

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	Joint or Infill	Consolidation Code		Order No.					

				<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p></p> <p>Signature _____</p> <p>Cy Cowan</p> <p>Printed Name _____</p> <p>Regulatory Agent</p> <p>Title _____</p> <p>August 28, 2000</p> <p>Date _____</p>
				<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>2/29/2000</p> <p>Date Surveyed _____</p> <p>Signature & Seal of Professional Surveyor</p> <p></p> <p>Certificate No. Herschel L. Jones RLS 3640</p> <p>HEWITT 5 DISK 25</p> <p>GENERAL SURVEYING COMPANY</p>
		<p>NM-3051</p> <p>3724 3719</p> <p>3727 3721</p> <p>660'</p> <p>1980'</p> <p>IM FED #2</p> <p>660'</p>		

YATES PETROLEUM CORPORATION
Hewitt "IM" Federal #5
 1980' FSL & 660' FEL
 Section 25,-T6S-R25E
 Chaves County, New Mexico

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

San Andres	610'	Basement Granite	5175'
Glorieta	1510'	TD	5275'
Yeso	1610'		
Tubb	3060'		
Abo	3660'		
Wolfcamp	4385'		

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

Water: 200'-300'
 Oil or Gas: 3660' to 5175'

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>Size Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
14 3/4"	11 3/4"	42#	H-40	ST&C	0- ⁹²⁵ 900	900'
11"	8 5/8" *	24#	J-55	ST&C	0-1500'	1500'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-5275'	5275'

* 8 5/8" casing will be set only if lost circulation is encountered.

- 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 250 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: 250 sx Lite (Yield 2.0, Wt. 12.0). Tail in with 200 sx "C" + 2% CaCl₂ (Yield 1.32 Wt. 14.8).*

Production Casing: TOC 3200'. Cement with 350 sx Super "C" (Yield 1.67 Wt. 13.0).

*If intermediate casing not set, hole size will be reduced from 11" to 7 7/8" at 1500'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud-900'	FWGel/Paper/LCM	8.6-9.0	32-36	N/C
900'-1500'	Cut Brine	8.6-9.0	29	N/C
1500'-3630'	Brine	10.0-10.2	28	N/C
3630'-TD	Salt Gel/Starch/Oil/LCM	9.0-9.8	34-45	<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: 10' samples out from under surface casing to TD.

Logging: CNL/LDT, w/NGT TD to surface casing; CNL/GR to surface;
DLL/MSFL TD to surface casing; BHC Sonic TD to surface casing.

Coring: None anticipated.

DST's: None anticipated.

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: 2500 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 20 days to drill the well with completion taking another 10 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
YATES PETROLEUM CORPORATION
Hewitt "IM" Federal #5
1980' FSL & 660' FEL
Section 25,-T6S-R25E
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 32 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 12.2 miles to Roosevelt Road. Turn north for approximately .2 of a mile to a cattleguard on the left. Turn left here and go approximately 400' to the Hewitt "IM" Federal #1 location. The new road will start from the northwest corner of the location going north.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 700' in length from the point of origin to the southeast corner of the drilling pad. The road will lie in a(n) southeast/northwest 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 one side. 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.

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 closest pit and obtain any material and permits if 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:

Private Surface owned by Ms. Dorothy Lessard, 8009 Davis Blvd Apt. #1105, Fort Worth, TX 76180. In a phone conversation with Ms. Lessard August 25, 2000, an agreement for surface damages was agreed upon.

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

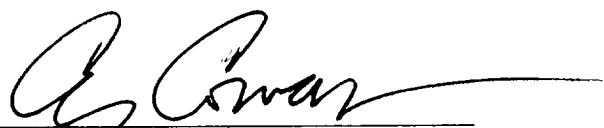
B. Through Drilling Operations,
Completions and Production:

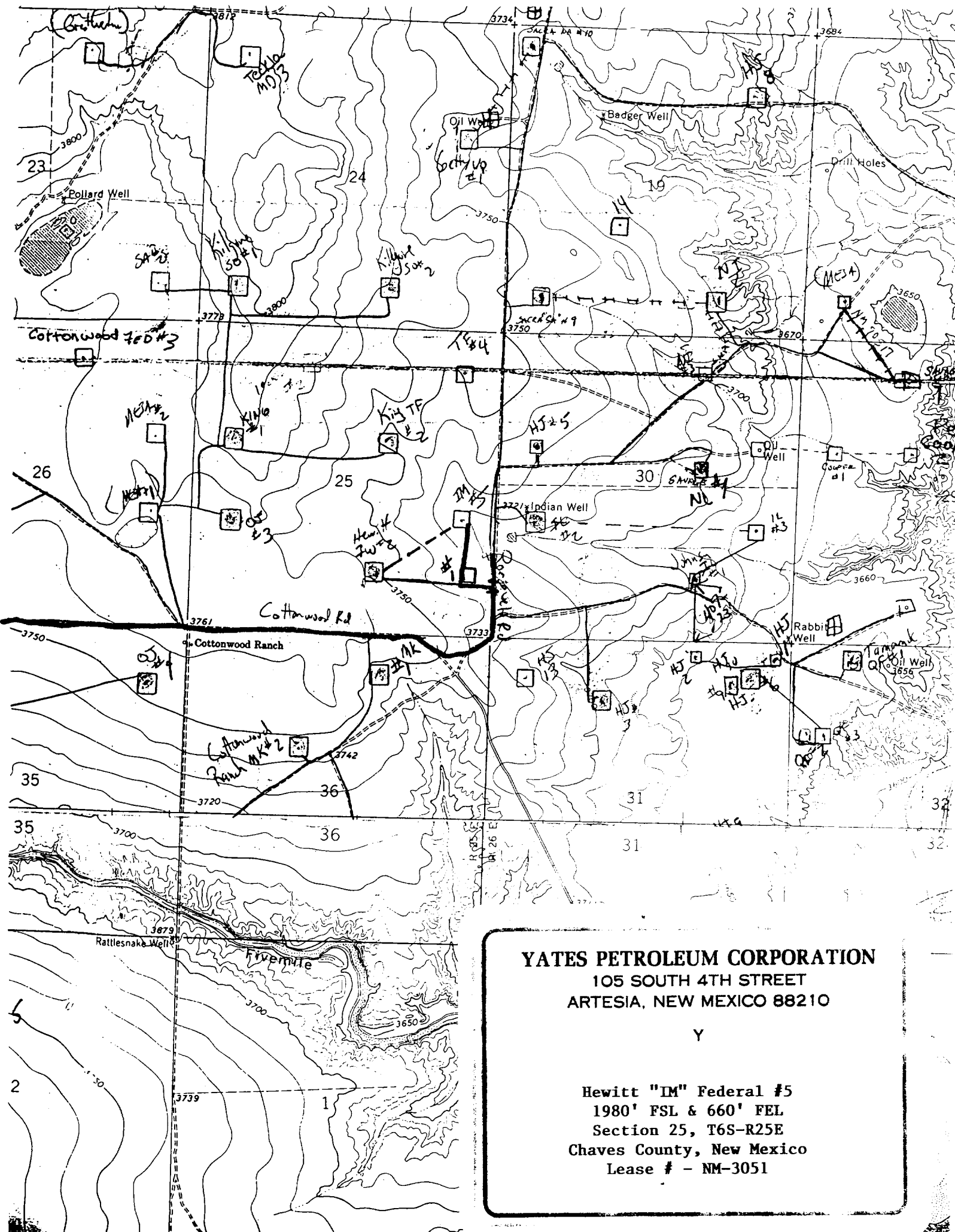
Brian Collins, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

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.

08/28/2000


Regulatory Agent



YATES PETROLEUM CORPORATION
105 SOUTH 4TH STREET
ARTESIA, NEW MEXICO 88210

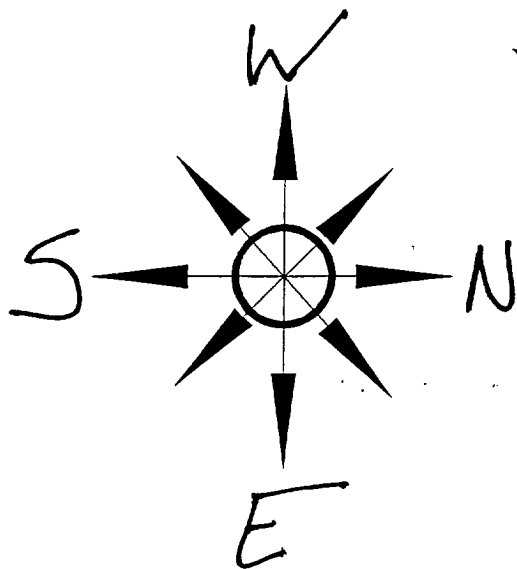
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Hewitt "IM" Federal #5
1980' FSL & 660' FEL
Section 25, T6S-R25E
Chaves County, New Mexico
Lease # - NM-3051

Yates Petroleum Corporation

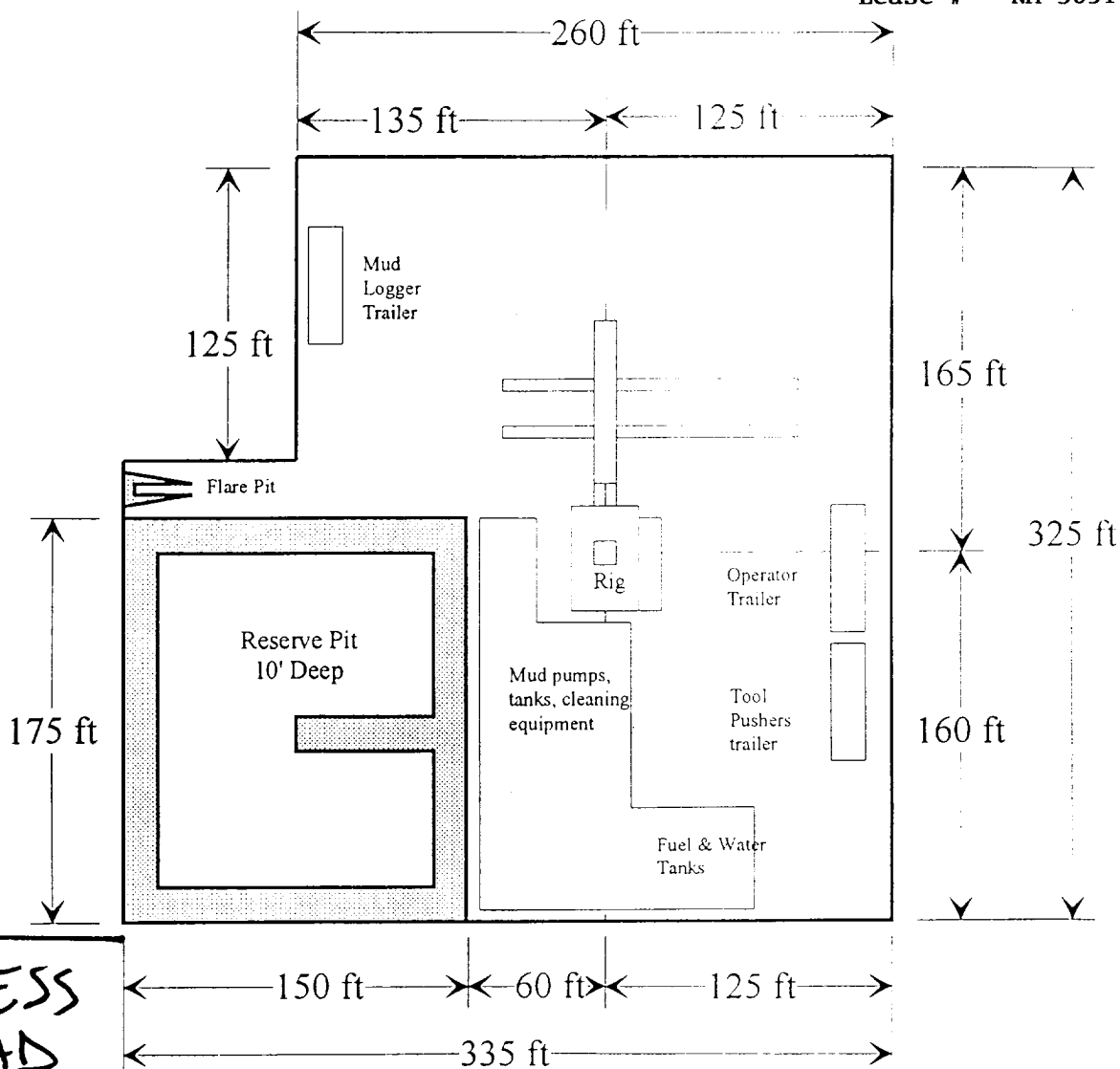
Location Layout for Permian Basin

Up to 12,000'

**YATES PETROLEUM CORPORATION**105 SOUTH 4TH STREET
ARTESIA, NEW MEXICO 88210

Y

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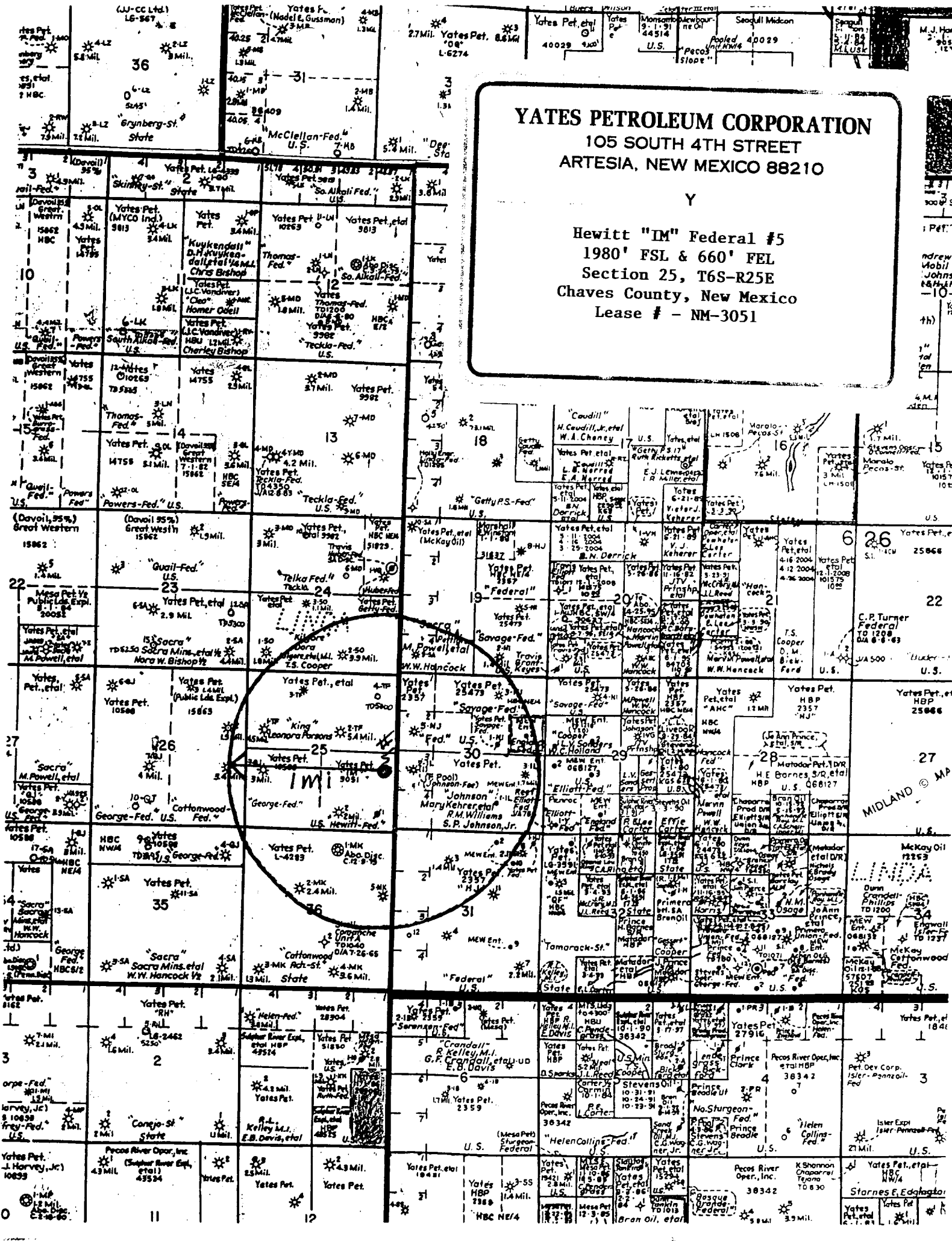


Distance from Well
Head to Reserve Pit
will vary between rigs

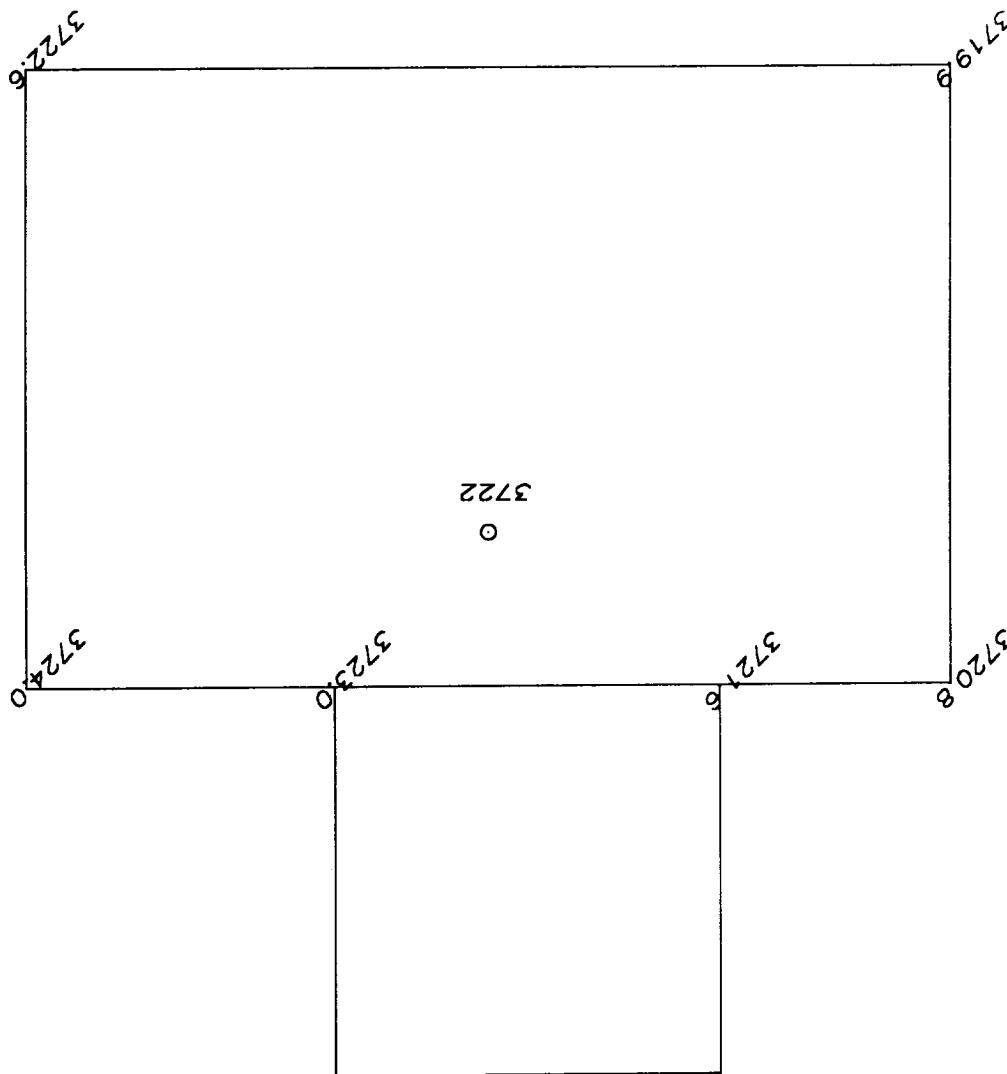
The above dimension
should be a maximum

YATES PETROLEUM CORPORATION
105 SOUTH 4TH STREET
ARTESIA, NEW MEXICO 88210

Y
Hewitt "IM" Federal #5
1980' FSL & 660' FEL
Section 25, T6S-R25E
Chaves County, New Mexico
Lease # - NM-3051



YATES PETROLEUM CORPORATION HEWITT "IM" FED.#5 1980/S & 660/E
SECTION 25, TOWNSHIP 6 SOUTH, RANGE 25 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.

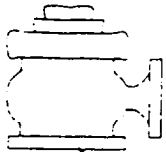
HERSCHEL L. JONES R.L.S. No.3640

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

YATES PETROLEUM CORP.

WELL PAD PLAN VIEW ON THE YATES HEWITT
"IM" FEDERAL #5 LOCATED 1980/S AND 660/E
OF SECTION 25, TOWNSHIP 6 SOUTH, RANGE 25
EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

Survey Date: 3/14/2000	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 3/14/00	Scale 1" = 50' HEWITT 5



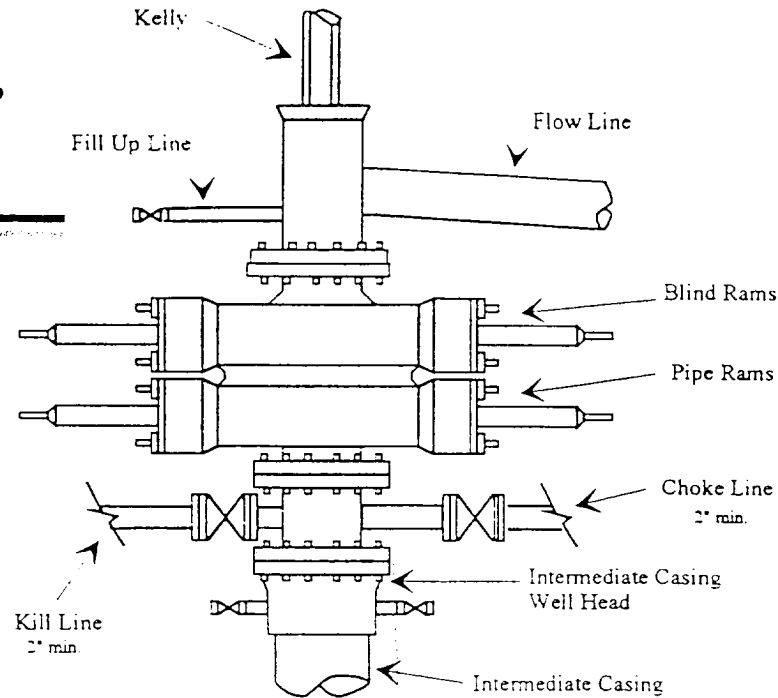
Yates Petroleum Corporation

BOP-2

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

Y

Hewitt "IM" Federal #5
1980' FSL & 660' FEL
Section 25, T6S-R25E
Chaves County, New Mexico
Lease # - NM-3051



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

