N.M. Oil Cons. DIV-Dist. 7 1301 W. Grand Assaus Artesia. ALA Caudio

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Artesia. NUI CLUMO 0 Form 3160-3 OMB No. 1004-0136 (August 1999) GNITED STATES Expires November 30, 2000 DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT NM-54988 6. If Indian, Allottee or Tribe Name PLICATION FOR PERMIT TO DRILL OR REENTER Not Applicable 7. If Unit or CA Agreement, Name and No. DRILL REENTER 1a. Type of Work: **Not Applicable** 8. Lease Name and Well No. b. Type of Well: Oil Well Single x Gas Multiple Zone Getty "PS" 7 Federal #4 Well Zone 9. API Well No. 2. Name of Operator <u> 30-005-63454</u> **Yates Petroleum Corporation** 10. Field and Pool, or Exploratory 3b. Phone No. (include area code) 105 South Fourth Street 3A. Address Artesia, New Mexico 88210 (505) 748-1471 Wildcat Precambrian 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T., R., M., or Blk, and Survey or Area 1930' FSL and 860' FWL, Unit I At surface Section 7, T6S-R26E same as above At proposed prod. Zone 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office* Approximately thirty (30) miles northeast of Roswell, New Mexico **Chaves County** NM Distance from proposed* 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 313.95 313.95-S/2 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 20. BLM/BIA Bond No. on file 19. Proposed Depth 5460' NM-2811 23. Estimated duration 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 3729' GL **ASAP** 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: Bond to cover the operations unless covered by an existing bond on file (see 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the Operator certification. SUPO shall be filed with the appropriate Forest Service Office. Such other site specific information and/or plans as may be required by the authorized office. Date Name (Printed/Typed) 25. Signature Clifton R. May 11/5/01 Title: Regulatory Agen Name (Printed/Typed) Approved by (Signature) 15 LARRY D. BRAY /S/LARRY D. BRAY Office Title Assistant Field Manager, **APPROVED FOR 1 YEAR** ROSWELL FIELD OFFICE <u>i ands And Minerals</u> 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

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)

Conditions of approval, if any, are attached.

operations thereon.

GENERAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

HECITATE 611:23

DISTRICT I 1825 M. French Dr., Hobbs, NM f 5240 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 Departmen

Revised March 17, 1999
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			
	1	Wildcat Precambrian		
Property Code	Property	Property Name		
	GETTY "PS" 7	FEDERAL	4	
OGRID No.	Operato	Elevation		
025575	YATES PETROLEU	3729		

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	7	<i>6</i> S	26E		1930	SOUTH	860	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	r Infill C	onsolidation (Code Ore	der No.				
313.95									

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 bettef.
				Clifte R. May
				Clifton R. May Printed Name
,				Regulatory Agent Title 11-05-01
				SURVEYOR CERTIFICATION
Lot 3		NM-54988	N.33*48'27.0" W.104*19'49.5" 3745 3723	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 supervison, and that the same is true and correct to the best of my belief.
	We11#2		3732 3714	10/30/2001 Date Surveyed Signatur & Stpl of
Proposed ^{Lot 4} Well #3		Well #1	1930' —	Signatur & Sept of Professional Surveyor, W. MEXICO
				Certificate No. Hersens L. Signes RLS 3640 GENERAL SONNEYING COMPANY

YATES PETROLEUM CORPORATION

Getty "PS" 7 Federal #4 1930' FSL and 860' FEL Section 7-T6S-R26E Chaves County, New Mexico

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

San Andres	640'
Glorieta	1540'
Yeso	1640'
Tubb	3055'
Abo	3690'
Wolfcamp	4370'
Basement - Granite	5300'
TD	5450'

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 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	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>
14 3/4	11 3/4"	42#	H-40	ST&C	0-900'
11	8 5/8"*	24#	J-55	ST&C	0-1500'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-5450'

^{*8 5/8&}quot; will only be set if lost circulation is encountered

- 1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, and Tensile Strength 1.8
- 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 bottom hole pressure in this field is proven to be near 1000 PSI. Pressure at the surface is much less. We feel that a 1000 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.

Getty "PS" 7 Federal #4 Page 2

B. CEMENTING PROGRAM:

Surface Casing: 350 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C" + 2% CaCL2 (YLD 1.32 WT 15.6).

Intermediate Casing: 250 sx Class C+2% CACL2 (YLD 1.32 WT 14.8)

Production Casing: 500 sx Pecos Valley Lite (YLD 1.34 WT 13.0). TOC 3100'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

Interval	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-900'	FW GEL,Paper,LCM	8.6 - 9.0	32-36	N/C
900'-3660'	Cut Brine/Brine	9.0 - 10.2	28	N/C
3660'-5450'	Salt Gel/Starch	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: Platform Express CNL/LDT, W/NGT TD -Surf csg; with GR/CNL up to Surf:

DLĽ/MŠ FL TD-Surf csg; BHC Sonic TD-Surf csg

Coring: Sidewalls DST's: As warranted.

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

Anticipated BHP:

From: 0 TO: 900' Anticipated Max. BHP: 375 PSI From: 900' TO: 5450' Anticipated Max. BHP: 2700 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S 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 YATES PETROLEUM CORPORATION

Getty "PS" 7 Federal #4 1930' FSL and 860' FEL Section 7-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.

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 25 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 approx. 23 miles to Cottonwood Road. Turn east and follow road approx. 14.3 miles to Roosevelt Road. Turn north and go approx. 3.5 miles. The new road will start here and go east through the gravel pit to the northeast corner of pad.

PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 2700' in length from the point of origin to the northeast corner of the drilling pad. The road will lie in a east to west 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.

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.

Getty "PS" 7 Federal #4 Page 2

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.

Getty "PS" 7 Federal #4 Page 3

11. SURFACE OWNERSHIP:

Corn Brothers, Inc. Roswell. New Mexico

An Agreement has been reached with the landowner

Concerning surface use in drilling this well.

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. Clifton R. May, Regulatory Agent Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471

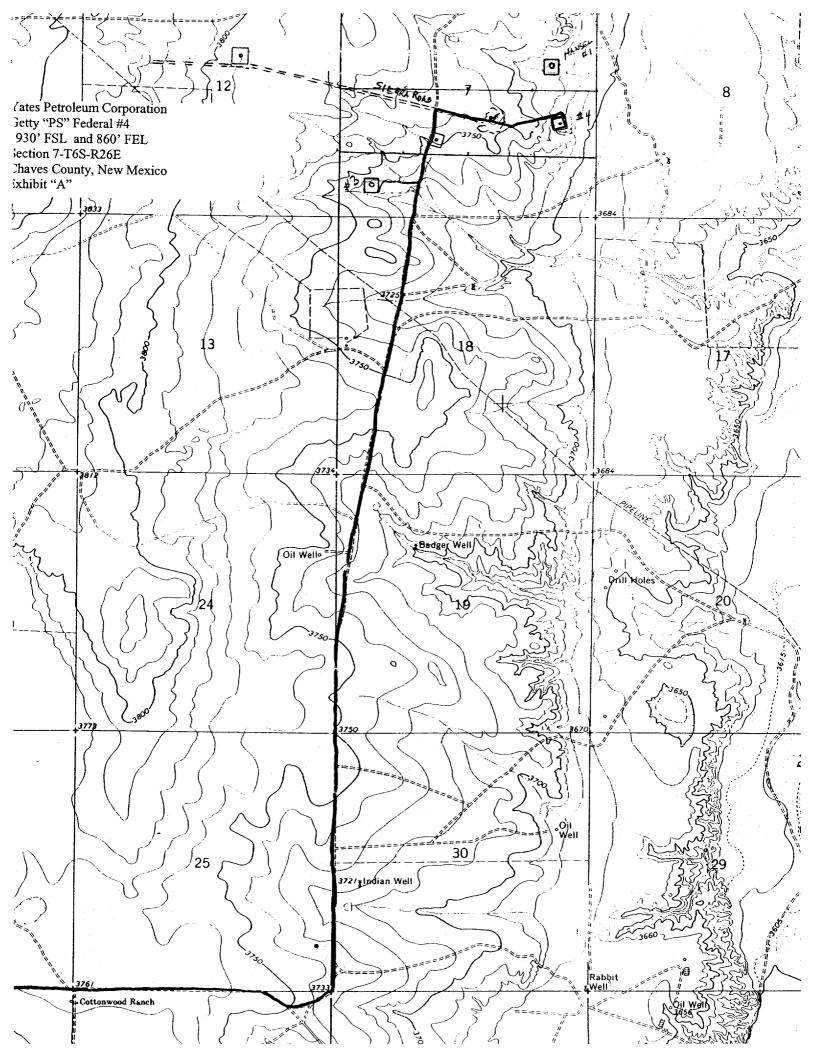
Through Drilling, Completions & Prod. Pinson McWhorter, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471

14. CERTIFICATION:

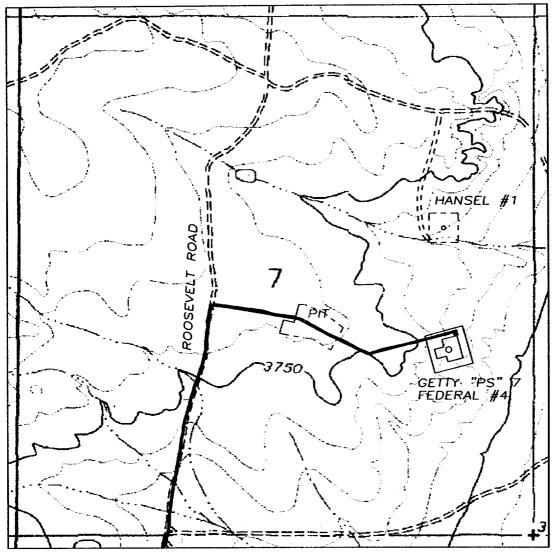
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated 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.

11/05/2001

Regulatory Agent



SECTION 7, TOWNSHIP 6 SOULL, RANGE 26 EAST, NMPM, CHAVEL COUNTY, NEW MEXICO.



Yates Petroleum Corporation Getty "PS" Federal #4 1930' FSL and 860' FEL Section 7-T6S-R26E Chaves County, New Mexico Exhibit "A-1"

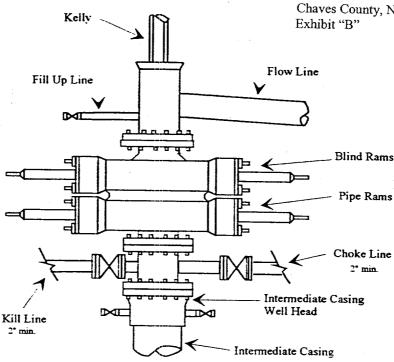
1000' 1000' <u>2</u>000' Scale 1" = 1000' THE PREPARATION OF TI THE SURVEY UPON WHIS DIRECTION AND THE PI OF SAID SURVEY AND STANDARDS FOR LAND BY THE NEW MEXICD ST PROFESSIONAL ENGINEE THE PERFORMANCE OF ME PERFURMANCE OF WERE DONE UNDER MY EPICTS THE RESULTS FOR THE CHEXICO AS ADOPTED APPLICATION FOR YATES PETROLEUM CORP. LEASE ROAD TO ACCESS THE YATES GETTY "PS"
7 FEDERAL \$4, LOCATED IN SECTION 7,
TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM,
CHAVES COUNTY, NEW MEXICO. STRATION FOR Survey Date: 10/30/2001 Sheet 1 Sheets GENERAL SURVEYNGES OMPAN P.O. BOX 1928 Drown By: Ed Blevins W.O. Number LOVINGTON, NEW MEXICO 88260 Date: 10/31/01 GETTY Scale 1" = 1000"

Yates Petroleum Corporation

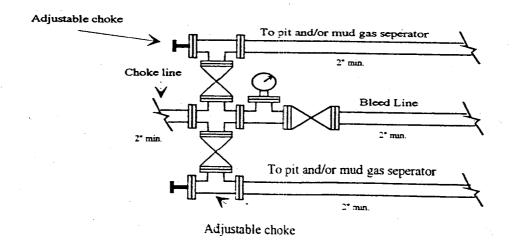
Typical 2,000 psi Pressure System Schematic

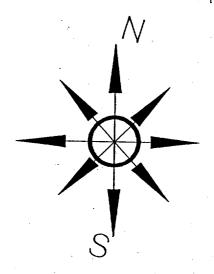
Double Ram Preventer Stack

Yates Petroleum Corporation Getty "PS" Federal #4 1930' FSL and 860' FEL Section 7-T6S-R26E Chaves County, New Mexico Exhibit "P"



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

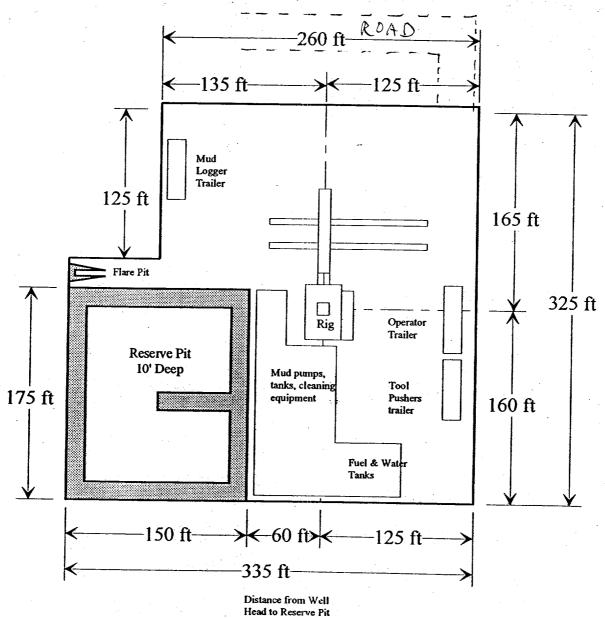




Yates Petroleum Corporation Location Layout for Permian Basin

Up to 12,000'

lates Petroleum Corporation 3etty "PS" Federal #4 930' FSL and 860' FEL Section 7-T6S-R26E Chaves County, New Mexico khibit "C"



will vary between rigs The above dimension should be a maximum

YATES PETROLEUM CORPURATION GETTY "PS" 7 FEDERAL #4, 1930/S&860/E, SECTION 7, TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO. Yates Petroleum Corporation Getty "PS" Federal #4 1930' FSL and 860' FEL Section 7-T6S-R26E 195×2 Chaves County, New Mexico Exhibit "c-1" kele <5/2 50' 100' Scale 1" = 50' THIS PLAT AND THE PERFORMANCE OF THE PERFORMANCE OF THE PERFORMANCE OF THE RESULTS THE RESULTS WEET THEOREGUIREMENTS OF THE SUMPERS IN NEW MEXICO AS ADOPTED STATE BOARD OF REGISTRATION FOR THE PREPARATION OF THIS THE SURVEY UPON WHICH YATES PETROLEUM CORP. DIRECTION AND TO OF SAID SURVEY STANDARDS FOR BY THE NEW PROFESSIONAL WELL PAD PLAN VIEW ON THE YATES GETTY "PS" 7 FEDERAL #4 LOCATED 1930/S AND 860/E OF SECTION 7, TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO. No.3640 SIONALOMP Survey Date: 10/30/2001 Sheet 1 Sheets GENERAL ANY P.O. BOX 1928 Drawn By: Ed Blevins W.O. Number LOVINGTON. NEW MEXICO 88260 Date: 11/03/01 Scale 1" = 50' GETTY 4

