

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

ARTESIA, NM 86210-2834

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMLC 045818-B
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTEE OR TRIBE NAME
2. NAME OF OPERATOR HARVEY E. YATES COMPANY <i>Yates Petroleum Corp. 25575</i>		7. UNIT AGREEMENT NAME HASTIE 17 FED <i>27513</i>
3. ADDRESS AND TELEPHONE NO. P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601		8. FARM OR LEASE NAME, WELL NO. #1
4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 1650 FSL & 660 FEL  AT PROPOSED PROD. ZONE SAME <i>Unit I</i>		9. API WELL NO. <i>30-015-31622</i>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 15 MILES NE OF ARTESIA, NM		10. FIELD AND POOL, OR WILDCAT UNDESIGNATED <i>Empire, Penn.</i>
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660		11. SEC., T., R., M., OR BLK AND SURVEY OR AREA SEC 17, T17S, R28E
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2640		12 COUNTY OR PARISH EDDY
19. PROPOSED DEPTH 10,200'		13. STATE NM
20. ROTARY OR CABLE TOOLS ROTARY		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3583		APPROX. DATE WORK WILL START ASAP

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660	16. NO. OF ACRES IN LEASE 960	17. NO. OF ACRES ASSIGNED TO THIS WELL 320
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2640	19. PROPOSED DEPTH 10,200'	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3583		APPROX. DATE WORK WILL START ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WT PER FT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	32# ST&C 8RD	400	<del>100% CACL &amp; 1/4# FLOSEAL</del> <i>WITNESS</i>
7 7/8"	5 1/2" J-55/N80	17# LT&C 8RD	10200	1100 SX LEAD & 400 SX TAIL **

ALL CASING WILL BE NEW, OR USED MEETING BLM SPECS.  
CEMENT WILL BE CIRCULATED ON 8 5/8" CASING.  
CEMENT QUANTITIES AND ADDITIVES ARE SUBJECT TO CHANGE DUE TO HOLE CONDITIONS.  
\*\* LEAD: 1100 SX "H" POZ w/ 2% GEL & 5# SALT PER SACK  
TAIL: 500 SX "H" w/ 3% KCL, .5% FLUID LOSS, .3% DISPERSANT, 1% BONDING AGENT, .3% RETARDER, & .2% SODIUM METASILICATE PER SACK

PROPOSED MUD PROGRAM	
0-400	FRESH WATER w/ PAPER & SHALE GUARD. MW-9.0 VIS-31
400-6500	FRESH WATER w/ PAPER, SHALE GUARD, & AMMONIA NITRATE. 18-20,000 CHLORIDES. MW-8.6 VIS-29
6500-10200	MUD UP WITH FLOZAN, 80,000 CHLORIDES MW-9.2-9.8 VIS-33

MUD PROGRAM SUBJECT TO CHANGE DUE TO HOLE CONDITIONS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED <i>Bob Williams</i>	Bob Williams	TITLE <i>Drilling Superintendent</i>	DATE <i>11-12-99</i>
--------------------------------	--------------	--------------------------------------	----------------------

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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:

APPROVED BY *[Signature]* TITLE \_\_\_\_\_ DATE \_\_\_\_\_

TITLE 18 U.S.C. SECTION 1001, MAKES IT A CRIME FOR ANY PERSONS 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

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

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
Property Code	Property Name HASTIE 17 FEDERAL <del>COM</del> BW	Well Number 1
OGRID No.	Operator Name HARVEY E. YATES COMPANY	Elevation 3583

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	17	17 S	28 E		1650	SOUTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

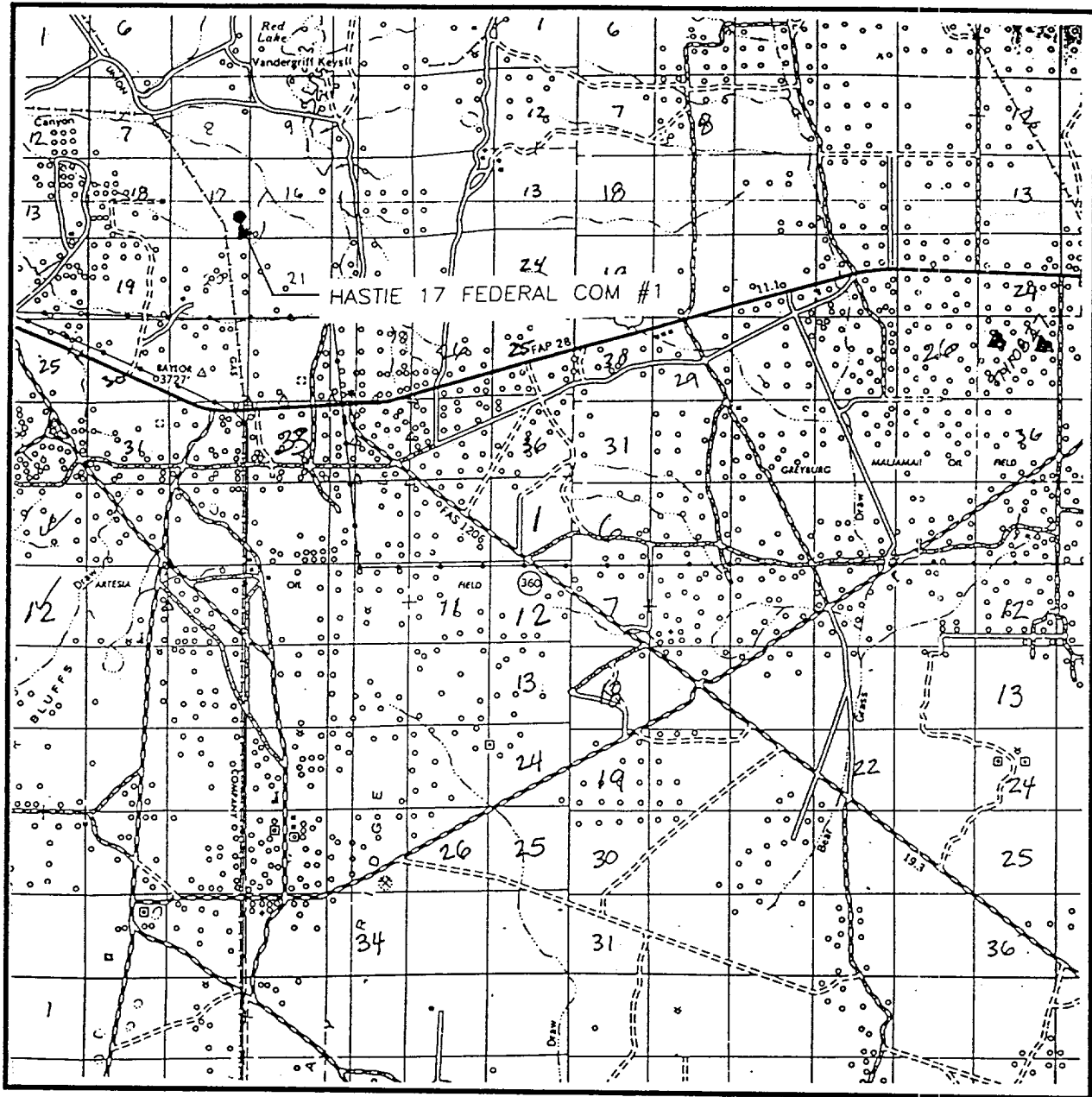
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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

		<p>SEE DETAIL</p> <p>660'</p> <p>1650'</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Bob Williams</u> Signature</p> <p><u>Bob Williams</u> Printed Name</p> <p><u>Drilling Superintendent</u> Title</p> <p><u>November 12, 1999</u> Date</p>
				<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p><u>OCTOBER 25, 1999</u> Date Surveyed</p> <p><u>[Signature]</u> Signature (Seal) Professional Surveyor</p> <p><u>99-11-0887</u> Certificate No.</p> <p>RONALD J. EIDSON 3239 GARY EIDSON 12641 MAGON McDONALD 12185</p>

# VICINITY MAP

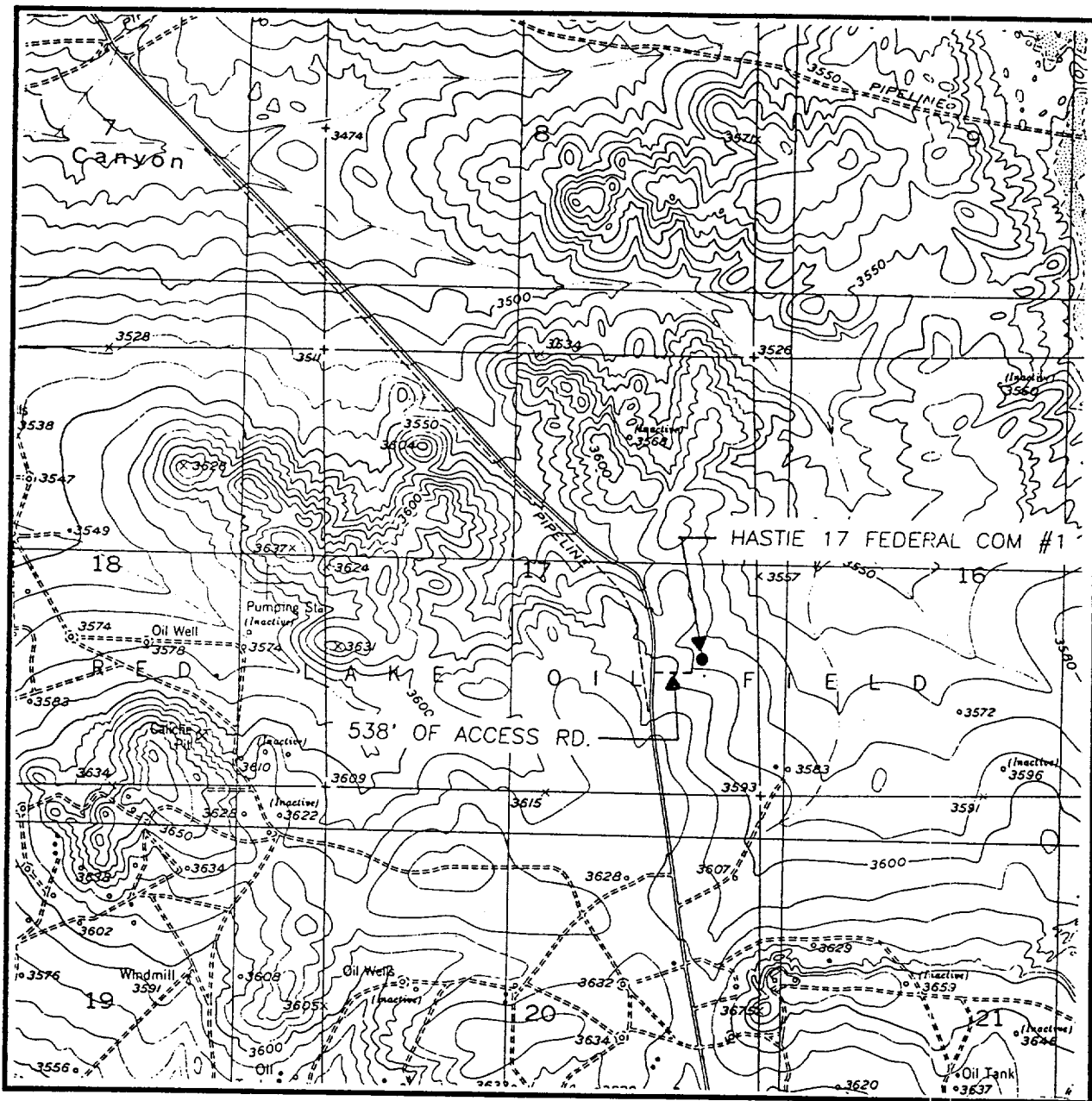


SCALE: 1" = 2 MILES

SEC. 17 TWP. 17-S RGE. 28-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY  
 DESCRIPTION 1650' FSL & 660' FEL  
 ELEVATION 3583  
 OPERATOR HARVEY E. YATES CO.  
 LEASE HASTIE 17 FEDERAL COM

**JOHN WEST SURVEYING**  
**HOBBS, NEW MEXICO**  
**(505) 393-3117**

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
RED LAKE - 10'

SEC. 17 TWP. 17-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1650' FSL & 660' FEL

ELEVATION 3583

OPERATOR HARVEY E. YATES CO.

LEASE HASTIE 17 FEDERAL COM

U.S.G.S. TOPOGRAPHIC MAP

RED LAKE, N.M.

**JOHN WEST SURVEYING**  
**HOBBS, NEW MEXICO**  
**(505) 393-3117**

Application  
Harvey E. Yates Company  
Hastie 17 Fed #1  
Section 17, T17S, R28E  
Eddy County, New Mexico

In conjunction with Form 3160-3, Application For Permit To Drill Or Deepen subject well, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No. 10.

1. **Geologic Name of Surface Formation:**  
Quaternary alluvium and bolson deposits
2. **Estimated Tops of Significant Geologic Markers:**  
Yates 385', Seven Rivers 600', Bowers 960', Queen 1,175', Penrose 1,350', Grayburg 1,590', Premier 1,890', San Andres 1,915', Glorietta 3,310', Tubb 4,800' Abo 5,465', Wolfcamp 6,785', Penn Shale 7,890' Strawn 8,950', Atoka 9,515', Morrow 9,780', Morrow Clastics 9,825' Lower Morrow Mkr 9,990', Barnett (MSSP) 10,060', PTD 10,200.
3. **Estimated Depths at which Water, Oil, or Gas Formations are expected:**  
Oil: Grayburg @ 1,590'.  
Gas: Grayburg @ 1,590'.
4. **Proposed Casing Program:**  
See Form 3160-3.
5. **Pressure Control Equipment:**  
BOP & Annular. See EXHIBIT C. Although the rig equipment is rated 3M rated, this well will be rated 2M.
6. **Drilling Fluid Program:**  
See Form 3160-3
7. **Auxiliary Equipment:**  
H2S Compliance package
8. **Testing, Logging, & Coring Program:**  
Possible rotary sidewall cores will be taken, and one DSTs is planned, Wolfcamp, Cisco, or Atoka. The planned logs are DLL-Micro w/GR & Caliper, CN-Den w/GR & Caliper and possible FMI.
9. **Abnormal Conditions, Pressures, Temperatures, or Potential Hazards:**  
No abnormal conditions are anticipated in this well bore.  
BHST-170 deg F  
BHP-4,300 psi.
10. **Anticipated Starting Date & Duration of Operation:**  
Spud Date: Approximately January, 1999. Duration of this project will be approximately 32 days from start of construction of drilling pad until finish of completion operations.

**Surface Use Plan**  
Harvey E. Yates Company  
Hastie 17 Fed #1  
Section 17, T17S, R28E  
Eddy County, New Mexico

1. **Existing Roads:**  
Exhibit A is a portion of a New Mexico map showing the location of the proposed location. The location is approximately 13 miles east of Artesia, NM. Leave Artesia on U.S. 82 & travel east. 100 yards West of mile marker 120, turn North. Go 1 mile to fork. Take left fork and go 1.3 miles. Turn right and go 250 yards to location.
2. **Planned Access Roads:**  
250 yards of new road will be built to access this location.
3. **Location of Existing Wells:**  
See EXHIBIT B
4. **Location of Tank Batteries, Electric Lines, Etc:**  
In the event a producing well is drilled, a tank battery will be built on the location. See EXHIBIT B
5. **Location and Type of Water Supply:**  
Water will be obtained from commercial sources.
6. **Source of Construction Material:**  
We will use materials from the primary and auxiliary reserve pits to build the location.
7. **Methods of Handling Waste Disposal:**  
Waste will be handled in an approved manner. The wellsite will be cleaned of all waste within 30 days of final completion of the well.
8. **Ancillary Facilities:**  
N/A
9. **Wellsite Layout:**
  - a. EXHIBIT D shows the relative location and dimensions of the well pad, reserve pits, and major rig components.
  - b. The land is relatively flat with sandy soil and sand dunes.
  - c. The pad and pit area have been staked.
10. **Plan for Restoration of the Surface:**
  - a. After drilling and completion operations are completed, all equipment and other materials not needed for further operations will be removed. Pits will be back filled and the location cleaned of all trash to leave the wellsite as pleasant in appearance as possible.
  - b. If the proposed operation is nonproductive, all restoration and/or vegetation requirements of the BLM will be complied with, and will be accomplished as quickly as possible. All pits will be filled and leveled within 90 days after abandonment.

**11. Other Information:**

- a. The surface and mineral owner is the Federal Government. The grazing Lessee is Bogle Farms Inc..
- b. The topography consists of sandy soil with native grasses. No wildlife was observed, but the usual inhabitants of this region are Jackrabbits, Reptiles, Coyotes, etc.
- c. There are no ponds, lakes, or rivers in this area.
- d. An Archaeological Survey has been made and a copy has been sent to the Roswell BLM office. There is no evidence of any significant archaeological, historical, or cultural sites in the area. Further, there are no occupied dwellings or windmills in the area.
- e. Should any incidental oil be recovered during testing of this well, this oil will be considered waste oil and not sellable due to contamination by drilling and/or completion fluids.

**12. Operator's Representative:**

The field representative for assuring compliance with the approved surface use and operation plan is:

Bob Williams  
Harvey E. Yates Company  
P.O. Box 1933  
Roswell, NM  
505-623-6601

November 9, 1999



Bob Williams  
Drilling Superintendent

## **EXHIBIT "E"**

**Harvey E. Yates Company  
Hastie 17 Fed #1  
Section 17, T17S, R28E  
Eddy County, New Mexico**

### **HYDROGEN SULFIDE DRILLING OPERATIONS PLAN**

#### **I     Hydrogen Sulfide Training**

**All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis will show proof of training from a qualified instructor in the following areas before commencing any work on the above named well.**

- 1. The hazards and characteristics of hydrogen sulfide (H<sup>2</sup>S)**
- 2. The proper use and maintenance of personal protective equipment and life support systems.**
- 3. The proper use of H<sup>2</sup>S detectors, alarms, warning signs, briefing areas, and evacuation procedures.**
- 5. The proper technique for rescues.**

#### **II    H<sup>2</sup>S Safety Equipment and Systems**

**All H<sup>2</sup>S safety equipment and systems will be installed 1,000 feet prior to penetrating the first zone containing or reasonably expected to contain H<sup>2</sup>S.**

- 1. Well Control Equipment**
  - A. Choke manifold with a minimum of two adjustable chokes.**
  - B. Blind and pipe rams to accommodate all pipe in use.**
  - C. Auxiliary equipment to include annular preventer and rotating head.**
- 2. Protective equipment for essential personnel**
  - A. Four 5 minute escape units in top dog house.**
  - B. One 30 minute SCBA at each briefing area.**
- 3. H<sup>2</sup>S detection and monitoring equipment**
  - A. Three channel monitor located on floor, with detectors located on floor, on flow nipple, and on flow line on mud pit.**
- 4. Visual Warning Systems**
  - A. Windsock located on floor and mud pits.**
  - B. Briefing area signs located on NE & SW corners of pad.**
  - C. H<sup>2</sup>S Condition sign located at entrance to location.**
- 5. Mud Program**

**The mud program has been designed to minimize the volume of possible H<sup>2</sup>S circulated to surface. Proper weight, safe drilling practices, and the use of H<sup>2</sup>S scavengers will minimize hazards when penetrating possible H<sup>2</sup>S bearing zones.**



**6. Metallurgy**

All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifolds, and associated lines and valves shall be suitable for an H<sup>2</sup>S environment.

**7. Communications**

Drilling rig and company vehicles will be equipped with two way radios or cellular telephones.

**8. Well testing**

One Drill Stem Test is planned for this well.

# EXHIBIT D

Handle 17 Fed #1  
 1660 FSL & 660 FEL  
 BEC 17, T-17S, R-28E  
 Eddy Co. NM

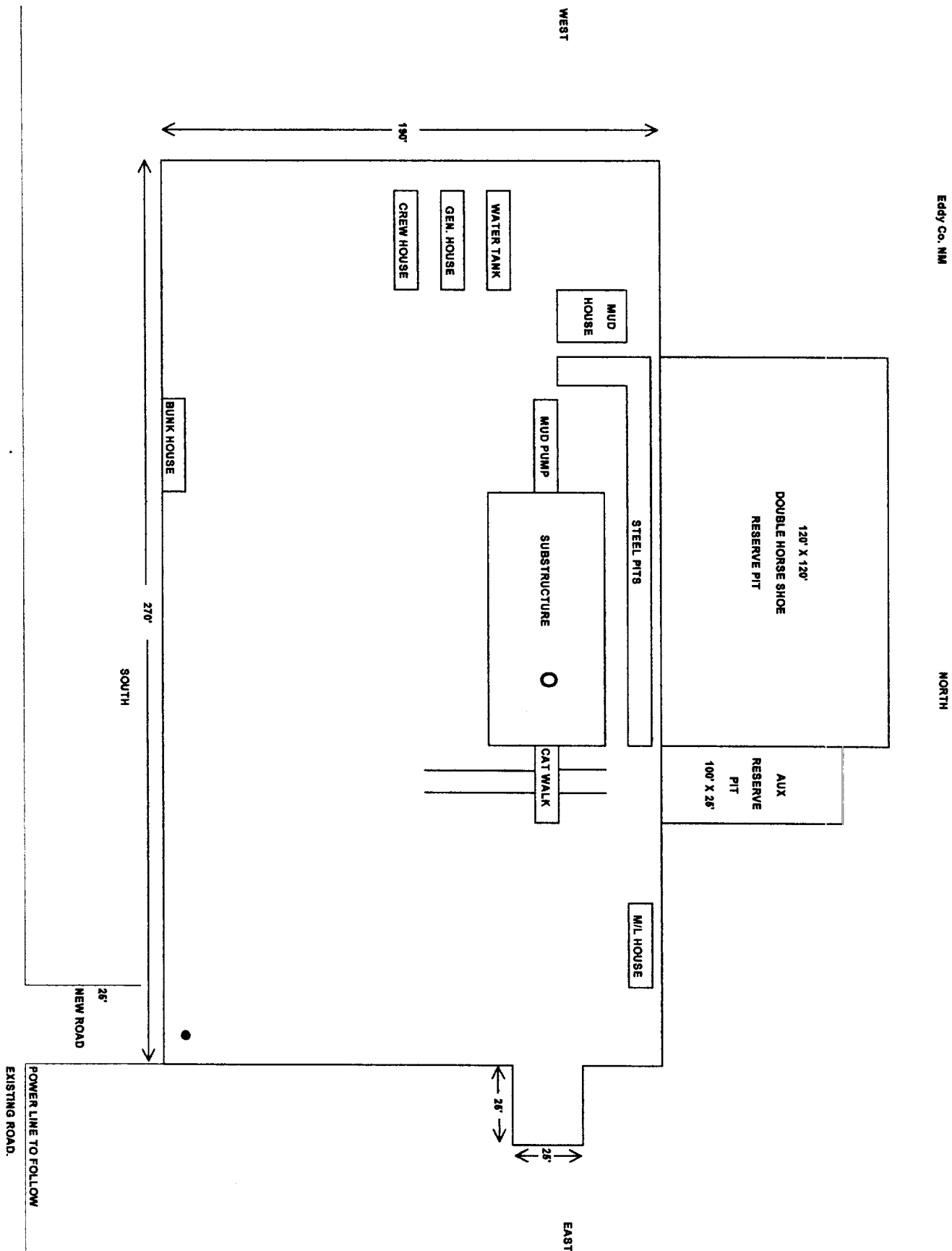
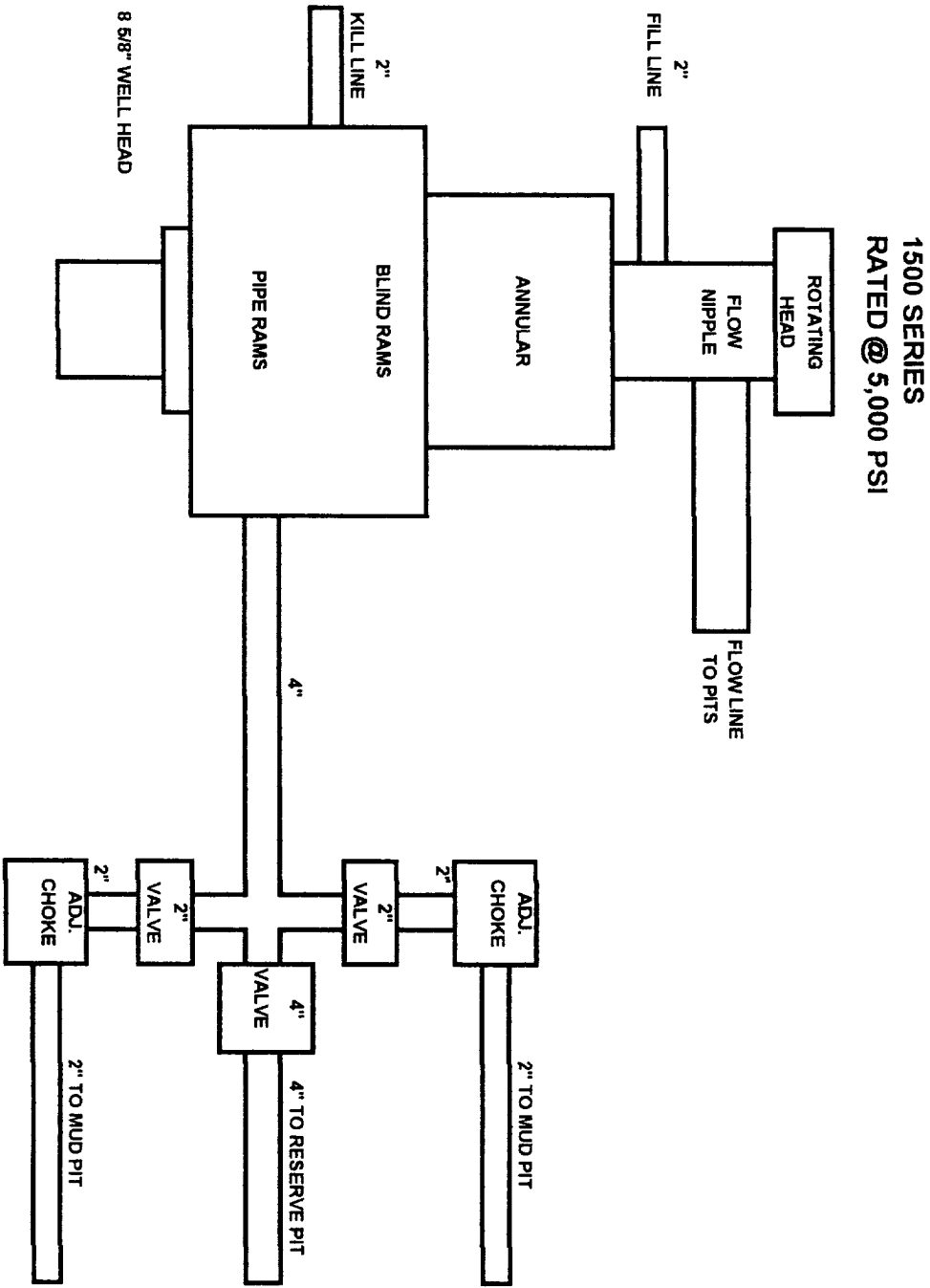


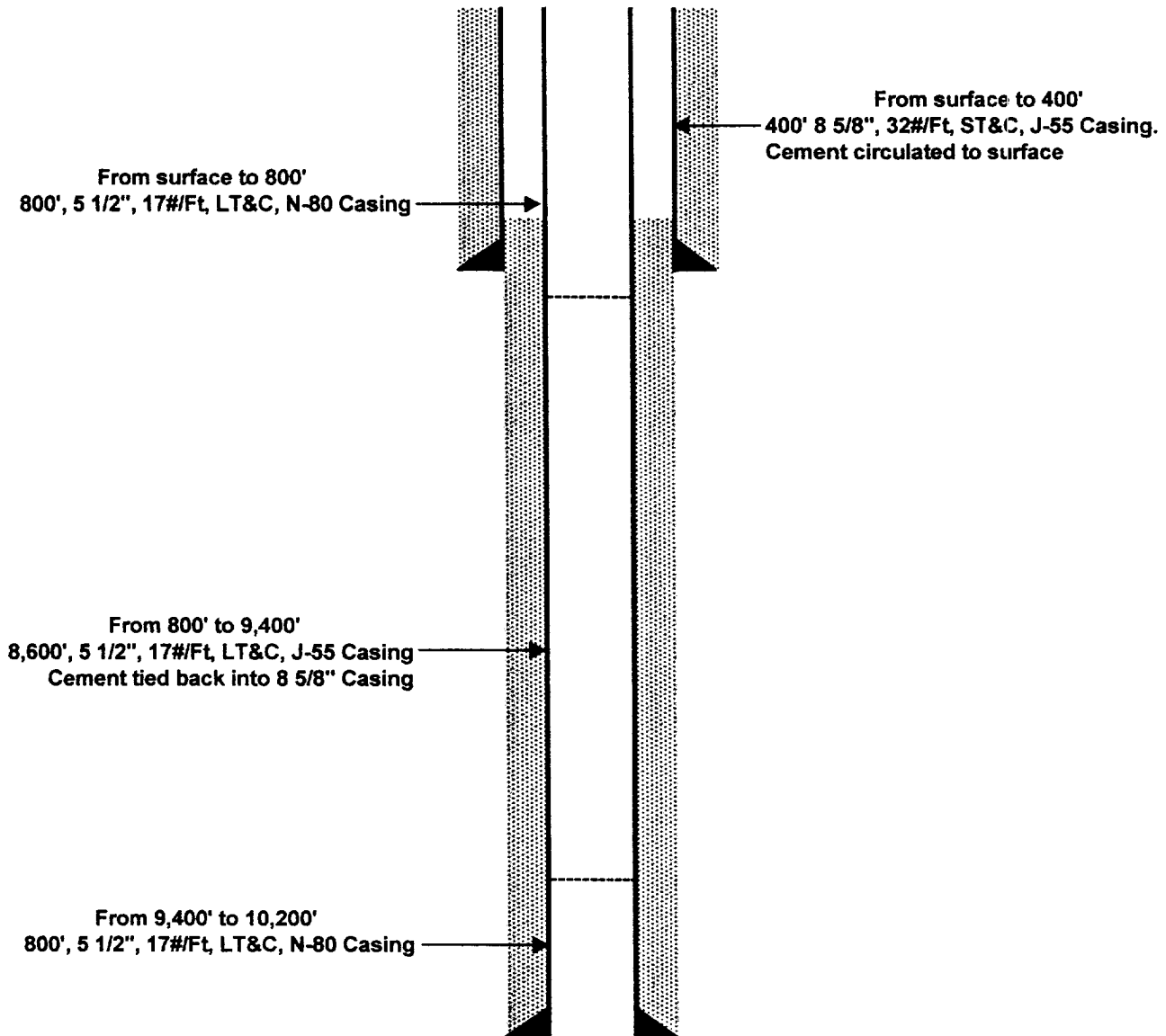
EXHIBIT C BOP STACK

HASTIE 17 FED #1  
1650' FSL & 660' FEL  
SEC 17, T17S, R28E  
EDDY COUNTY, NM



## Casing Design

Hastie 17 Fed #1  
1650' FsL & 660' FEL  
Sec 17, T17S, R28E



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Resource Area

P.O. Drawer 1857

Roswell, New Mexico 88202-1857

Statement Accepting Responsibility for Operations

Operator Name: Harvey E. Yates Company  
Street or Box: P.O. Box 1933  
City, State: Roswell, New Mexico  
Zip Code: 88202

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NMLC-045818-B

Lease Name: Hastie 17 Fed #1

Legal description of land: Sec 17, T17S, R28E, Eddy County, New Mexico

Formation(s) (if applicable): Morrow

Bond Coverage: (State if individually bonded or another's bond): Blanket Bond

BLM Bond File No.:

Authorized Signature: Bob W. Ellison

Title: Drilling Superintendent

Date: November 12, 1999