11-720

OCD Hobbs

HOBBS OCD

Form 3160-3
(August 2008)

JUL 09 2013

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No: **NM-90**

6. If Indian, Allottee or Tribe Name: **N/A**

7. If Unit or CA Agreement, Name and No.: **N/A**

1a. Type of Work: [X] DRILL [ ] REENTER

8. Lease Name and Well No. (30801): **Amazing BAZ Federal #6H**

1b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

2. Name of Operator: **Yates Petroleum Corporation (025575)**

9. API Well No.: **30-025- 41266**

3a. Address: **105 South Fourth Street, Artesia, NM 88210**

3b. Phone No. *(include area code)*: **575-748-1471**

10. Field and Pool, or Exploratory (39380): **Livingston Ridge, Delaware, SE**

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

At surface: **330' FSL and 1650' FWL, Unit N Surface Hole Location**

At proposed prod. zone: **2310' FNL and 1980' FWL, Unit F Bottom Hole Location**

11. Sec., T., R., M., or Blk. And Survey or Area: **Section 29, T22S-R32E**

14. Distance in miles and direction from the nearest town or post office*: **Approximately thirty eight (38) miles west & north of Jal, New Mexico**

12. County or Parish: **Lea County**

13. State: **NM**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
330'	**1760.00**	**80 Acres**
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	BLM/ BIA Bond No. on file
.2 of a mile.	**TVD-8,460' TMD 10,420'**	**NATIONWIDE BOND #NMB000434**
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Aproximate date work will start*	23. Estimated duration
3545'	**ASAP**	**45 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:

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 must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by 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 BLM

25. Signature	Cy Cowan	Date
		5/26/2011

Title: **Land Regulatory Agent**

Approved By *(Signature)*	Name *(Printed/ Typed)*	Date
/s/George MacDonell		
Title: FIELD MANAGER	Office: CARLSBAD FIELD OFFICE	

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 cc operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and wilfully to make to any department or agency of the Unitec States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Previously Approved

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements & Special Stipulations Attached

Carlsbad Controlled Water Basin

KZ 07/15/13

JUL 18 2013

YATES PETROLEUM CORPORATION
Amazing BAZ Federal #6-H
330' FSL and 1650' FWL, SHL
2310' FSL & 1980' FWL, BHL
Section 29, T22S-R32E
Lea County, New Mexico

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

Rustler	800'
Top of Salt	950'
Bottom of Salt	4345'
Bell Canyon	4650'
Cherry Canyon	5540'
Brushy Canyon	6830'
Brushy Horizontal Target	8733'---MD
TD	10263'---MD

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

   Water: 250' to 500'
   Oil or Gas: 6830' & 8460'

3. Pressure Control Equipment: 3000 PSI BOPE with a 13.625" opening will be installed on the 13 3/8" casing and the 9 5/8" casing. The BOP and related BOPE shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17. Pressure tests to 3000 PSI and held for 30 minutes will be conducted before drilling out from under all casing strings, which are set and cemented in place. Blowout Preventer controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventers 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)

Hole Size	Casing Size	Wt./Ft	Grade	Coupling	Interval	Length
17 1/2"	13 3/8" ✓	48#	J-55	ST&C	0-~~825'~~ 900	~~825'~~
12 1/4"	9 5/8" ✓	40#	HCK-55	LT&C	0- 100'	100'
12 1/4"	9 5/8" ✓	36#	K-55	LT&C	100'-3200'	3100'
12 1/4"	9 5/8" ✓	40#	HCK-55	LT&C	3200'-4450'	1250'
8 3/4"	5 1/2" ✓	17#	P-110	LT&C	0'-7983'	7983'
8 1/2"	5 1/2" ✓	17#	P-110	Buttress	7983'-10263'	2280'

See COA

This well will be drilled vertically to 7983'. Well will then be kick off at 7983' and directionally drilled at 12 degrees per 100' with a 8 ¾" to 8733 MD (8460' TVD). If hole conditions dictate, 7" casing will be set and cemented. A 6 1/8" hole will then be drilled to 10263' MD (8460') where 4 ½" casing will be set and cemented. If 7" casing is not set then the hole will be reduced to 8 ½" and drilled to 10263' MD (8460' TVD) where 5 ½"

casing will be set and cemented. A DV cementer tool will be set at approximately 7500'. Cement will be placed from TD to approximately 3950'. Penetration point of the producing zone will be encountered at 801' FSL & 1725' FWL, Section 29-22S-32E. Deepest TVD in this well will be 8460' in the lateral.

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8

B. CEMENTING PROGRAM:

SURFACE CASING: 434 sacks of 35:65:6PzC (Wt. 12.50 Yld. 2.00). Tail w/200sx Class "C" + 2% CaC12 (Wt. 14.80 Yld. 1.34). Designed with 100% excess. Cement circulated to surface.

INTERMEDIATE: 1255 sacks of 35:65:6PzC (Wt. 12.50 Yld. 2.00). Tail w/210 sacks Class "C" + CaCl2% (Wt. 14.80 Yld. 1.34). Designed with 100% excess. Cement circulated to surface.

PRODUCTION CASING: Will be done in two stages with DV Tool set at 7500'

1st Stage: 670 sacks of Pecos ViLt with D112 0.4%; D151 22.5 lb//sack; D174 1.5 lb/sack, D177 0.01 lb/sack; D800 0.6 lb/sack and D46 0.15 lb/sack (Wt. 13.00 Yld. 1.41). Designed with 30% excess. Top of cement approximately 7500'.

2nd Stage: 470 sacks 35:65:6PzC (Wt. 12.50 Yld 2.00). Tail with 200 sacks of Pecos ViLt with D112 0.4%; D151 22.5 lb//sack; D174 1.5 lb/sack, D177 0.01 lb/sack; D800 0.6 lb/sack and D46 0.15 lb/sack (Wt. 13.00 Yld. 1.41). Designed with 30% excess. Top of cement approximately 3950'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

See COA

Interval	Type	Weight	Viscosity	Fluid Loss
0-825' 900	Fresh Water	8.60 – 9.20	28-32	N/C
825'-4450'	Brine Water	10.00 – 10.20	28-30	N/C
4450'-8733'	Cut Brine	8.6 0– 9.20	30-32	N/C
8733'-TD	Cut Brine (lateral section)	9.00-9.20	32-34	<12

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: 30' Samples to 5000'—10' samples 5000' to TD.
Logging: Platform Express/HALS/CMR
Coring: None Anticipated
DST's: Any tests will be based on the recommendations of the well site geologist.
Mudloggers: Surface casing to TD.

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

Anticipated BHP:

From: 0	TO:	825'	Anticipated Max. BHP:	395PSI
From: 825'	TO:	4450'	Anticipated Max. BHP:	2360 PSI
From: 4450'	TO:	8460	Anticipated Max BHP:	4047 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 150° F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 50 days to drill the well with completion taking another 20 days.

Amazing BAZ Federal #6H

Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 8,733' MD (8,460' TVD) and cemented. A 6 1/8" hole will then be drilled to 10,263' MD (8,460' TVD) where 4 1/2" casing will be set and cemented.

2nd Intermediate

0 ft to 8,733 ft				Make up Torque ft-lbs			Total ft = 8,733
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	L-80	LT&C	5110	3830	6390	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
5,410 psi	7,240 psi	511 ,000 #		604 ,000 #		6.151	

DV tool placed at 4500'.
Stage I: Lead w/495sx 35:65:6 PzC (YLD 2.0 Wt 12.5), tail w/200sx PVL (YLD 1.41 Wt 13) 8,733' - 4500'
Stage II: Lead w/540sx 35:65:6 PzC (YLD 2.0 Wt 12.5), tail w/200sx Class C (YLD 1.34 Wt 14.8) 4500' - 0'

Production

0 ft to 7,983 ft				Make up Torque ft-lbs			Total ft = 7,983
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
4.5 inches	11.6 #/ft	P-110	LT&C	3020	2270	3780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
7,580 psi	10,690 psi	279 ,000 #		367 ,000 #		3.875	

7,983 ft to 10,263 ft				Make up Torque ft-lbs			Total ft = 2,280
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
4.5 inches	11.6 #/ft	P-110	BT&C				
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
7,580 psi	10,690 psi	279 ,000 #		367 ,000 #		3.875	

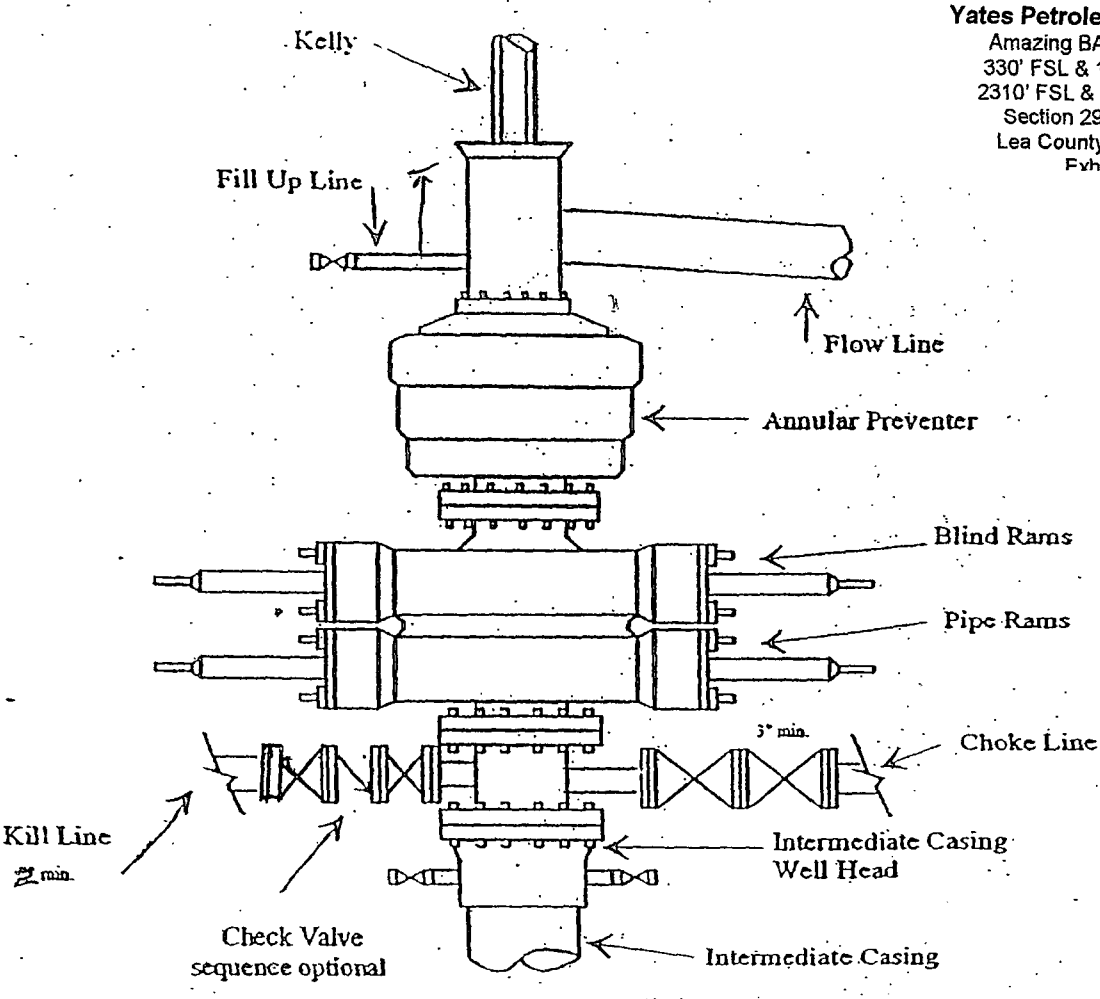
4 1/2" casing will be cemented from TD to 7,900'. DV Tool will be placed approx. 7,900'
Cemented w/215sx PVL (YLD 1.41 Wt 13) 10,263' - 7,900'

Yates Petroleum Corporation

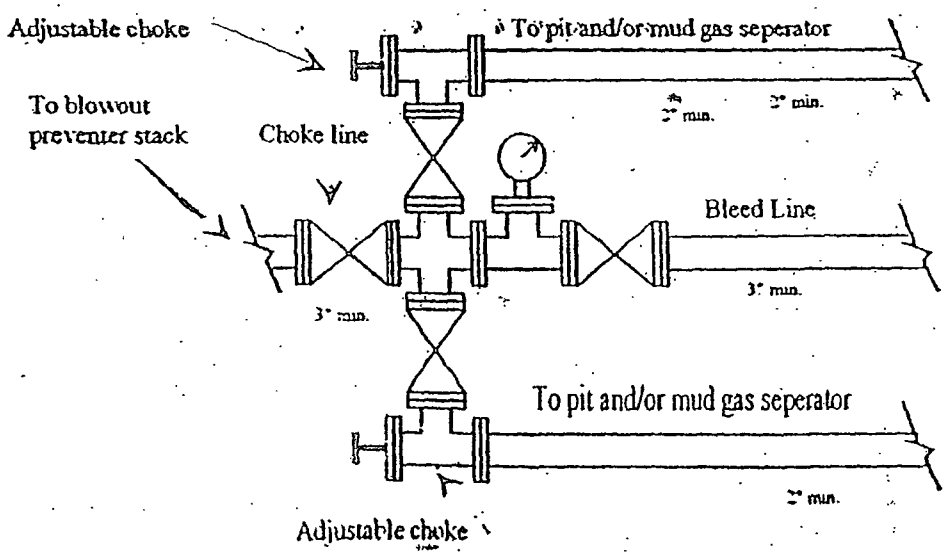
BOP-3

Typical 3,000 psi Pressure System Schematic
Annular with Double Ram Preventer Stack

Yates Petroleum Corporation
Amazing BAZ Federal #6H
330' FSL & 1650' FWL-SHL
2310' FSL & 1980' FWL-BHL
Section 29, T22S-R32E
Lea County, New Mexico
Exhibit "C"

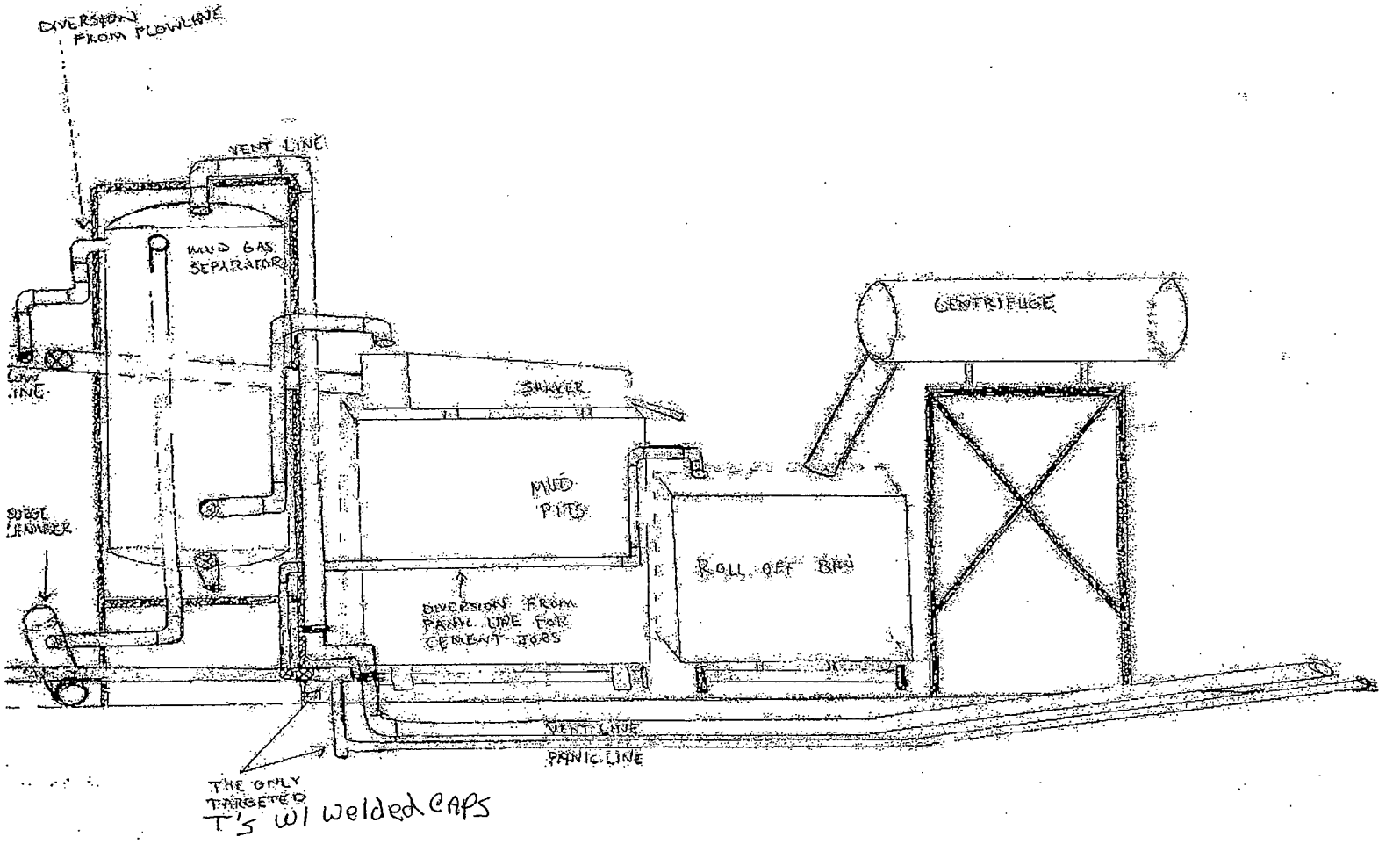


Typical 3,000 psi choke manifold assembly with at least these minimun features



YATES PETROLEUM CORPORATION
Piping from Choke Manifold
to the Closed-Loop Drilling Mud System

Yates Petroleum Corporation
Amazing BAZ Federal #6H
330' FSL & 1650' FWL-SHL
2310' FSL & 1980' FWL-BHL
Section 29, T22S-R32E
Lea County, New Mexico
Exhibit "D"

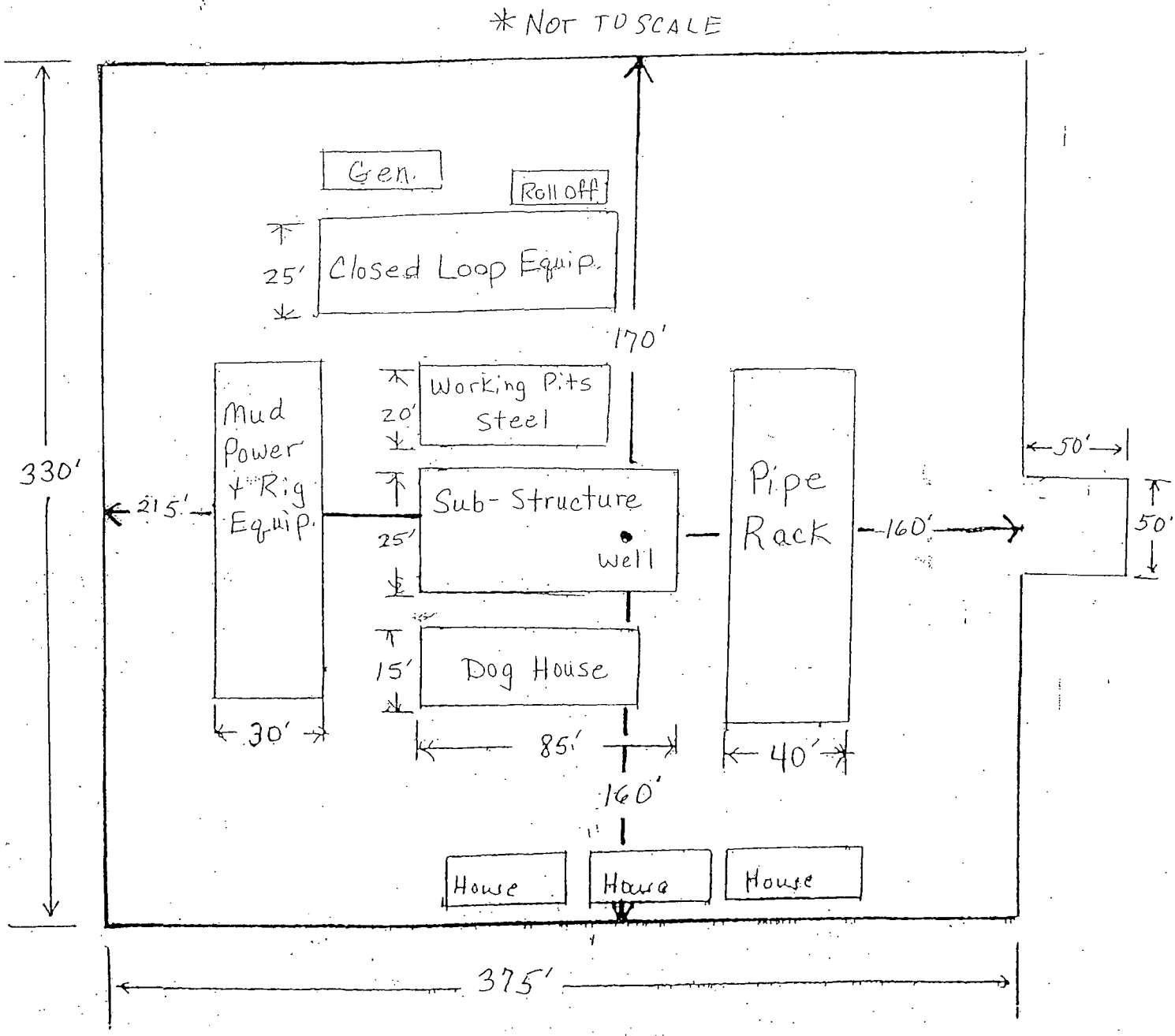


Yates Petroleum Corporation

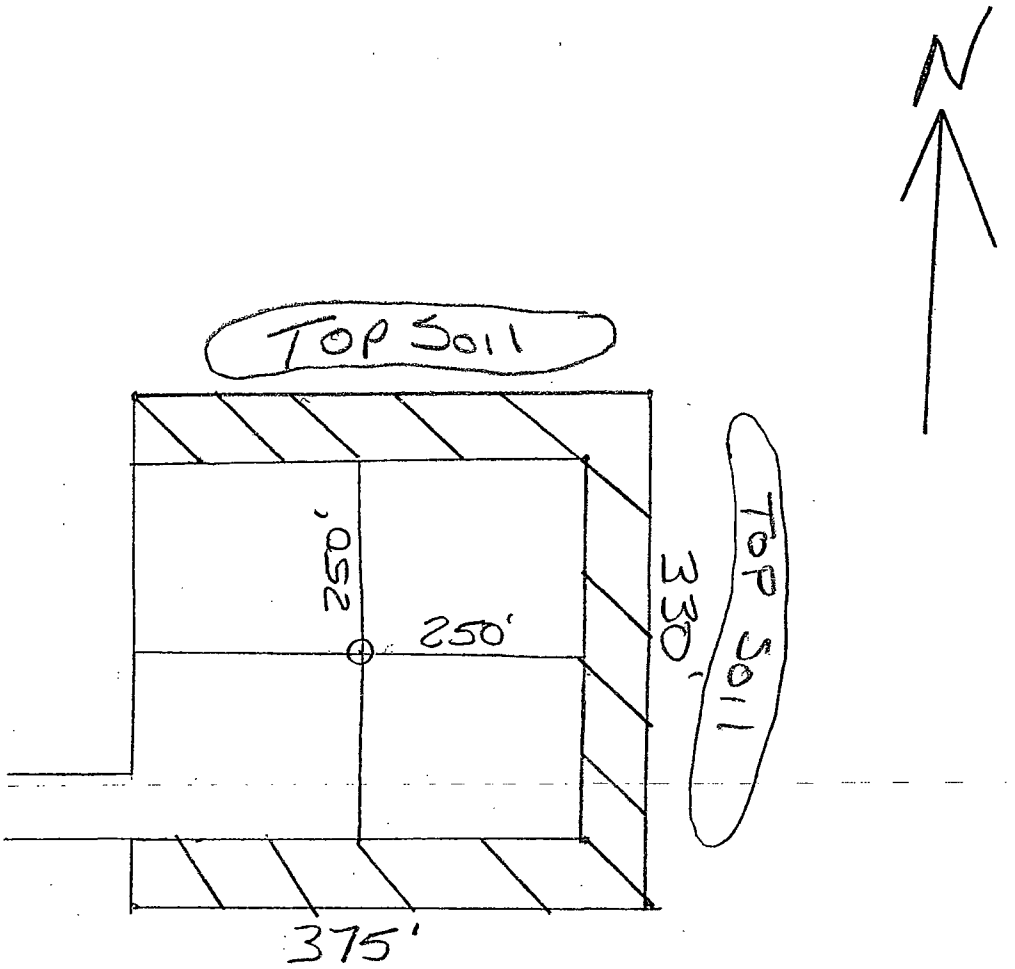
Location Layout for Permian Basin

Yates Petroleum Corporation
Amazing BAZ Federal #6H
330' FSL & 1650' FWL-SHL
2310' FSL & 1980' FWL-BHL
Section 29, T22S-R32E
Lea County, New Mexico
Exhibit "B"

Closed Loop Design Plan

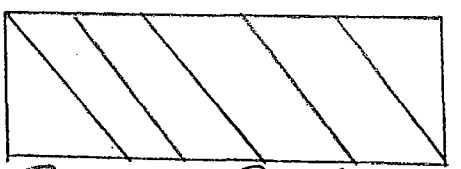


Yates Petroleum Corporation
Amazing BAZ Federal #6H
RECLAMATION PLAT
Lea County, New Mexico



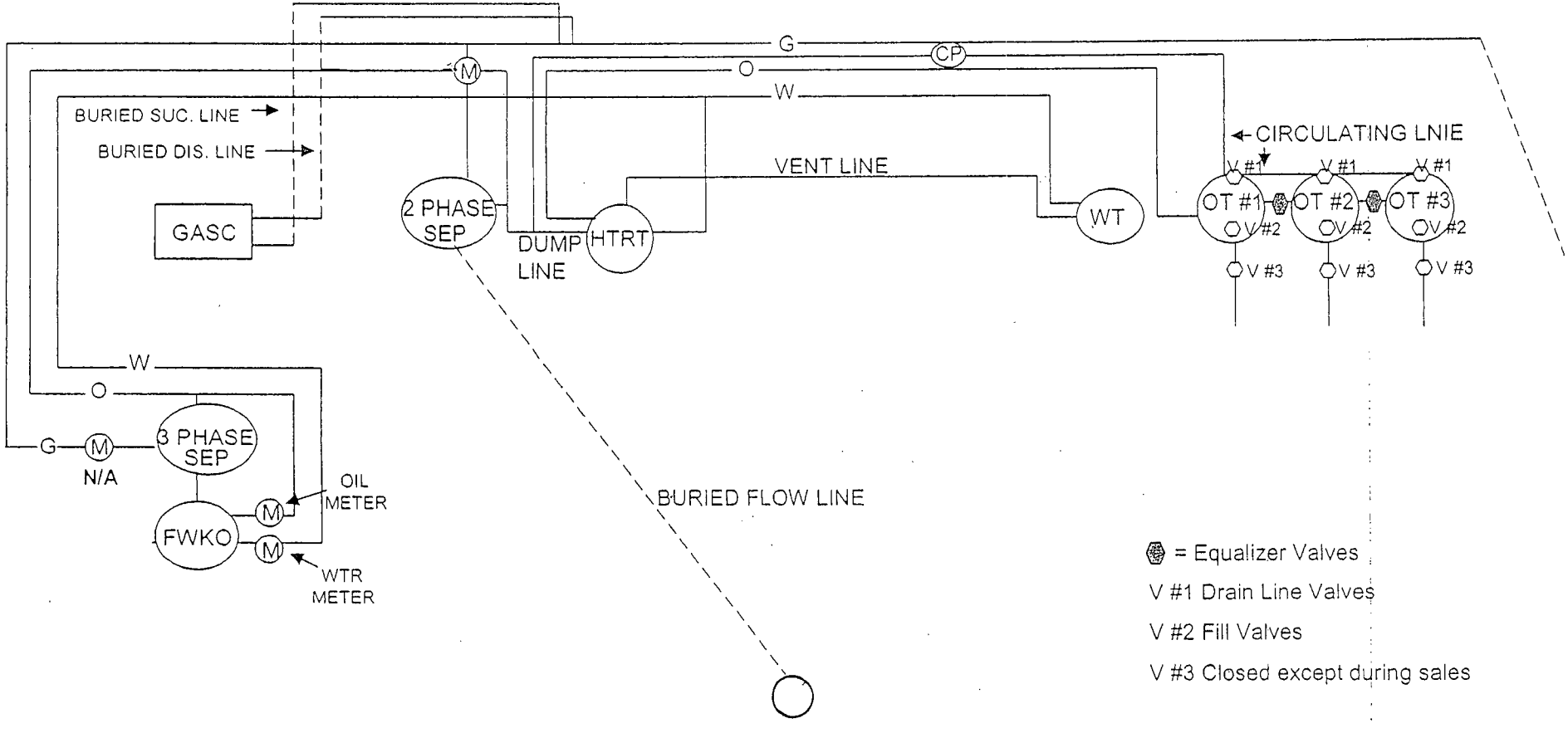
Not to Scale

PLEASE Note
Final Reclamation
MAy be Different
THAN This PLAT.

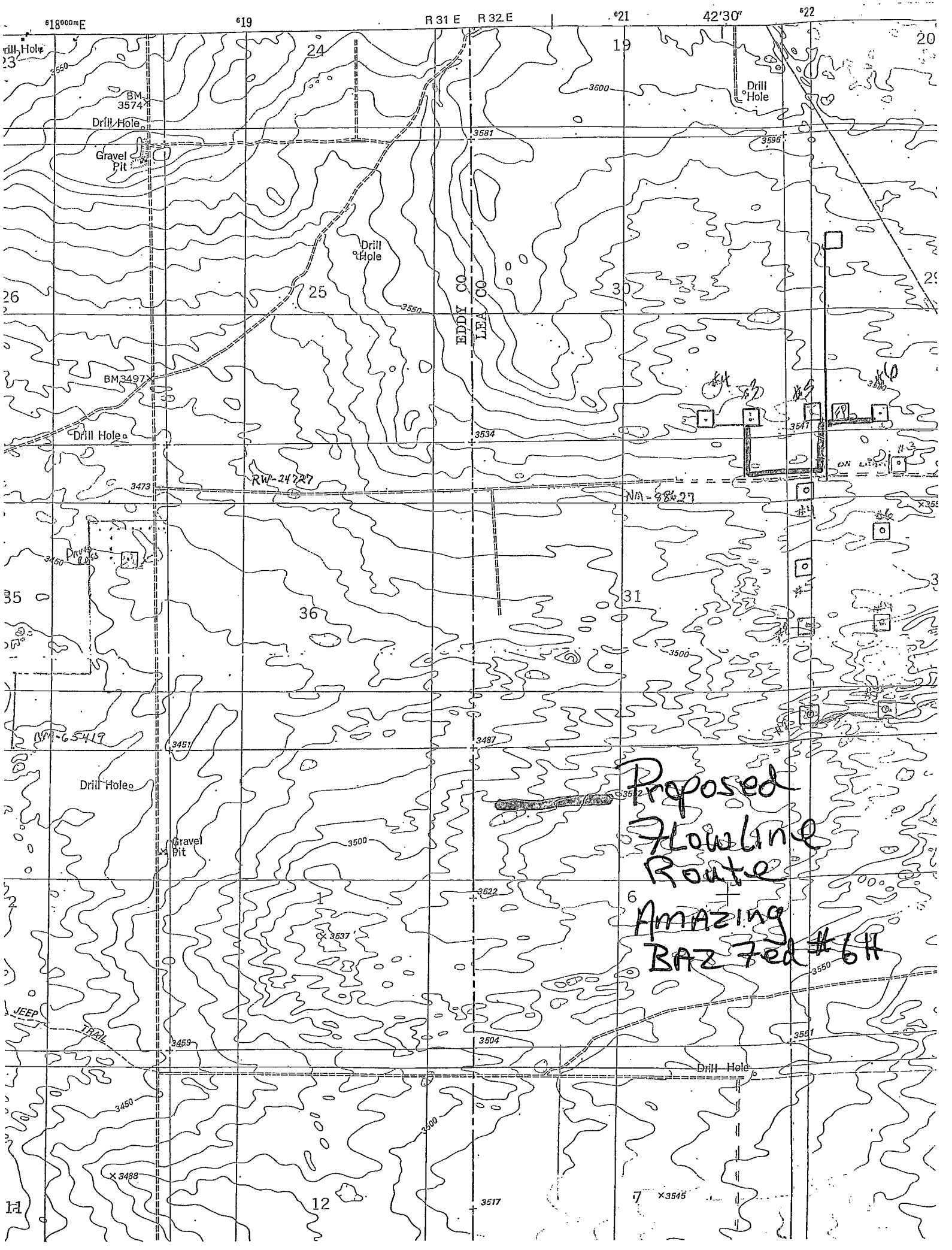


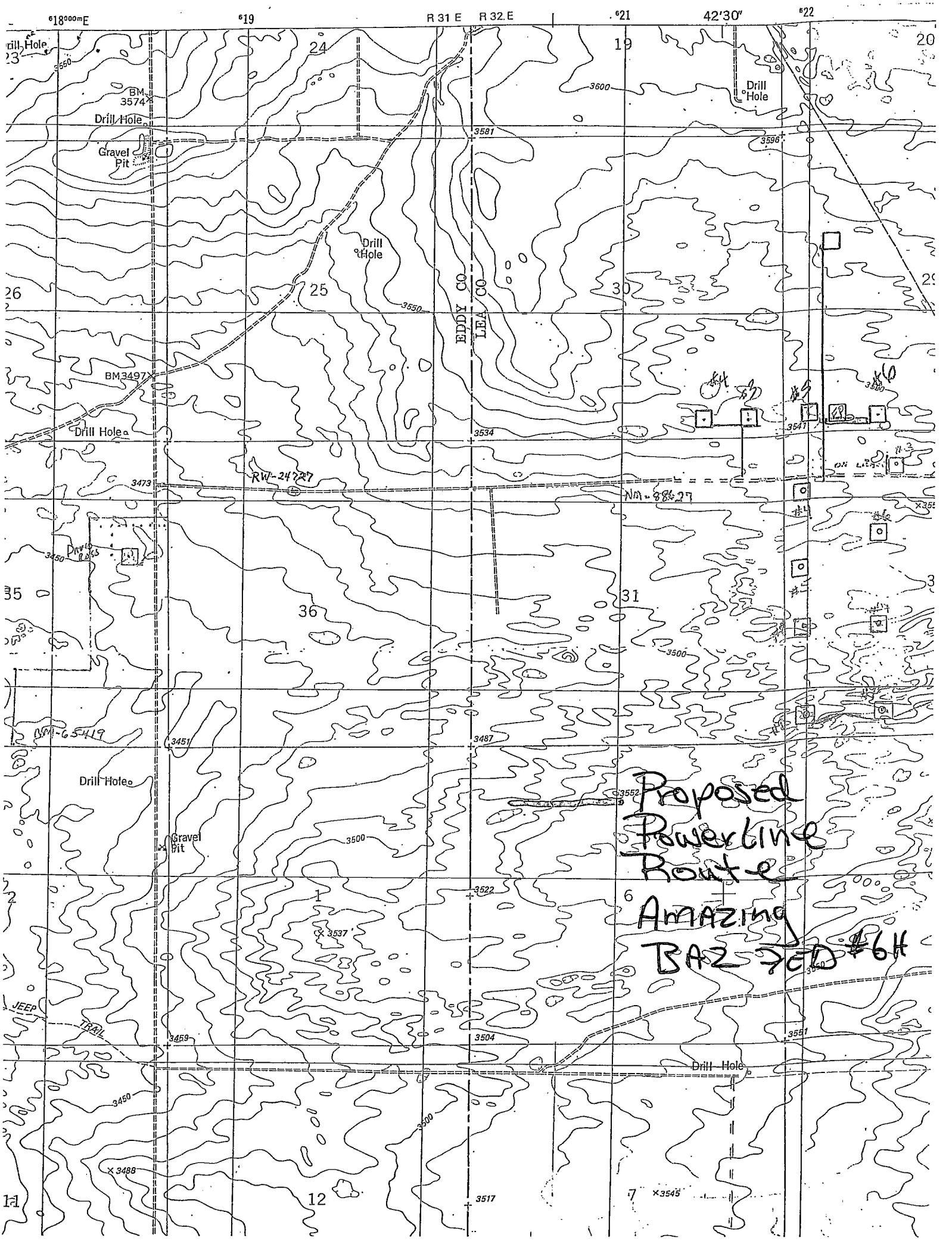
Possible Reclaimed
Area

YATES PETROLEUM CORPORATION
105 South 4th Street * Artesia, NM 88210
(575)-748-1471
-Danny Matthews
June, 2010



This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan which is on file at 105 South 4th Street, Artesia, NM


R 31 E
R 32 E
42'30"
Drill Hole
BM 3574
Gravel Pit
Drill Hole
Drill Hole
EDDY CO
LEA CO
BM 3497
Drill Hole
RW-24727
NM-38627
Drill Hole
NM-65419
Drill Hole
Gravel Pit
JEEP TRAIL
Drill Hole
Proposed Flowline Route
Amazing BAZ Fed #6H


618000mE
619
R 31 E
R 32.E
621
42'30"
622
Drill Hole
BM 3574
Drill Hole
Gravel Pit
Drill Hole
Drill Hole
EDDY CO
LEA CO
BM 3497
Drill Hole
RW-24227
NM-98827
Dry
NM-65419
Drill Hole
Gravel Pit
Proposed Powerline Route
Amazing BAZ Fed #6H
JEEP TRAIL
Drill Hole