

ATS-07-467

856

RESUBMITTAL

OCD-HOBBS

Form 3160-3  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB NO 1004-0137  
Expires: March 31,2007

1a. Type of Work ☒ DRILL ☐ REENTER

1b. Type of Well. ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2 Name of Operator

Yates Petroleum Corporation 25575

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

330' FSL and 330' FEL, Unit P

At proposed prod. zone

same as above

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

5. Lease Serial No

NM-90

6. If Indian, Allottee or Tribe Name

7 If Unit or CA Agreement, Name and No.

8. Lease Name and Well No. ☒

Amazing BAZ Federal #3 30801

9. API Well No.

30-D25-38450

10 Field and Pool, or Exploratory ☒

Livingston Ridge, Delaware SE 39380

11 Sec., T, R, M., or Blk And Survey or Area

Section 30, T22S-R32E

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)

330'

16 No. of acres in lease

1760.00

17. Spacing Unit dedicated to this well

40

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

19 Proposed Depth

8600'

20 BLM/ BIA Bond No on file

NATIONWIDE BOND #NMB000434

21. Elevations (Show whether DF, RT, GR, etc )

3540' GL

22. Approximate date work will start\*

ASAP

23 Estimated duration

24 Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form

- Well plat certified by a registered surveyor
- A Drilling Plan.
- A Surface Use Plan ( if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)

- Bond to cover the operations unless covered by existing bond on file(see item 20 above)
- Operator certification.
- Such other site specific information and/ or plans as may be required by the a authorized officer

25. Signature *Clifton R. May* Name (Printed/ Typed) Clifton R. May Date 5/25/2007

Title  
Regulatory Agent

Approved By (Signature) */s/ DON PETERSON*

Name (Printed/ Typed) */s/ DON PETERSON*

Date JUN 25 2007

Title FOR 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 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

SEE ATTACHED FOR APPROVAL SUBJECT TO  
CONDITIONS OF APPROVAL GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
CARLSBAD CONTROLLED WATER BASIN ATTACHED

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-38450</b>	<sup>2</sup> Pool Code <b>39380</b>	<sup>3</sup> Pool Name <b>Livingston Ridge, Delaware SE</b>
<sup>4</sup> Property Code <b>30801</b> ✓	<sup>5</sup> Property Name <b>AMAZING BAZ FEDERAL</b>	
<sup>7</sup> OGRID No. <b>025575</b> ✓	<sup>8</sup> Operator Name <b>YATES PETROLEUM CORPORATION</b>	
		<sup>6</sup> Well Number <b>3</b>
		<sup>9</sup> Elevation <b>3540'</b>

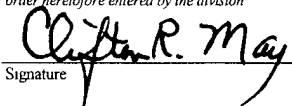
<sup>10</sup> Surface Location

UL or lot no. <b>P</b>	Section <b>30</b>	Township <b>22S</b>	Range <b>32E</b>	Lot Idn	Feet from the <b>330</b>	North/South line <b>SOUTH</b>	Feet from the <b>330</b>	East/West line <b>EAST</b>	County <b>LEA</b>
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<sup>11</sup> 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
<sup>12</sup> Dedicated Acres <b>40</b> ✓	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> 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.

<sup>16</sup>					<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>  5/25/07 Signature _____ Date _____ Clifton R. May Printed Name _____ Regulatory Agent Title _____	
					<sup>18</sup> SURVEYOR CERTIFICATION <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>	
					Date of Survey _____ Signature and Seal of Professional Surveyor _____ REFER TO ORIGINAL PLAT	
					Certificate Number _____	

NM-90

330'

330'

			<p><b>OPERATOR CERTIFICATION</b></p> <p>I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p> <p><i>Clifton R. May</i></p> <p>Signature</p> <p>Printed Name CLIFTON R. MAY</p> <p>Title REGULATORY AGENT</p> <p>Date 4/15/05</p>
			<p><b>SURVEYOR CERTIFICATION</b></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 KNOWLEDGE AND BELIEF.</p> <p>APR 18 2005</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>NEW MEXICO REGISTERED LAND SURVEYOR ENGINEER 5412</p> <p>NM PE&amp;PS #5412</p> <p>Certificate Number</p>
			<p>NM-90</p> <p>LAT N32°21'22.2"</p> <p>LON W103°42'23.0"</p> <p>330'</p> <p>330'</p>

**YATES PETROLEUM CORPORATION****Amazing BAZ Federal #3**

330' FSL and 330' FEL

Section 30-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 Draw	6830'
Bone Spring	8480'
TD	8600'

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' & 8480'.

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 3000# 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.

4. 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.

5. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: All new casing to be used

see revision

Hole Size	Casing Size	Wt./Ft	Grade	Coupling	Interval	Length
17 1/2"	13 3/8"	48#	H-40	ST&C	0-900'	900'
11"	8 5/8"	32#	J-55	ST&C	0-4500'	4500'
7 7/8"	5 1/2"	17#	J-55	LT&C	0-100'	100'
7 7/8"	5 1/2"	15.5#	J-55	LT&C	100-7400'	7300'
7 7/8"	5 1/2"	17#	J-55	LT&C	7400-8600'	1200'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, and Tensile Strength 1.8  
2. A 3000 psi BOPE will be nipped up on the 13 3/8" casing and tested to 3000 psi.

B. CEMENTING PROGRAM:

Surface Casing: 650 sx Lite (YLD 1.96 WT 12.7). Tail in with 200 sx class "C" + 2% CaCl<sub>2</sub> (YLD 1.34 WT 14.8). Cement circulated to surface.

The following is the revised casing design for the intermediate casing on the Amazing BAZ Federal #3 through #7.

Depth	Size (in.)	Weight (#'s/ft)	Grade	T&C
0'-100'	8 5/8"	32#	J-55	ST&C
100'-2100'	8 5/8"	24#	J-55	ST&C
2100'-4200'	8 5/8"	32#	J-55	ST&C
4200'-4500'	8 5/8"	32#	HCK-55	ST&C

Amazing BAZ Federal 3  
Page Two

Intermediate Casing: 925 sx Lite (YLD 2.5 WT 11.9) and tail in with 200 sx "C" + 2% CaCl<sub>2</sub> (YLD 1.34 WT 14.8). Cement circulated to surface.

Production Casing: 1 st Stage: 550 sx super "H" (YLD 1.67 WT 13), Tail in w/50 sx Thixset (YLD 1.4 WT 14.4). Top of Cement approx. 6000'.

DV Tool Packer @ 6000'

Second Stage: 650 sx Lite (YLD 2.5 WT 11.9), Tail in w/50 sx Premium (YLD 1.3 WT 14.8). Top of cement approx. 4000'.

6. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-900	FW/Native Mud	8.6-9.2	28-36	N/C
900-4500	Brine	10.0-10.2	28	N/C
4500-6800	Cut Brine	8.6-9.1	28	N/C
6800-TD	Cut Brine/Starch	8.6-9.1	28-32	<15

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. Rig personnel will check mud hourly.

7. EVALUATION PROGRAM:

Samples: Every 10' from surface casing to TD

Logging: CNL-FCO from TD to casing with GR-CNL up to surface; DLL from TD to casing

Coring: None anticipated

DST's: Any tests will be based on the recommendations of the well site geologist as Warranted by drilling breaks and shows

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

Maximum Anticipated BHP:  
0'-900' 430 PSI  
900'-4500' 2385 PSI  
4500'-TD 4071 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H<sub>2</sub>S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 140 F

9. ANTICIPATED STARTING DATE:

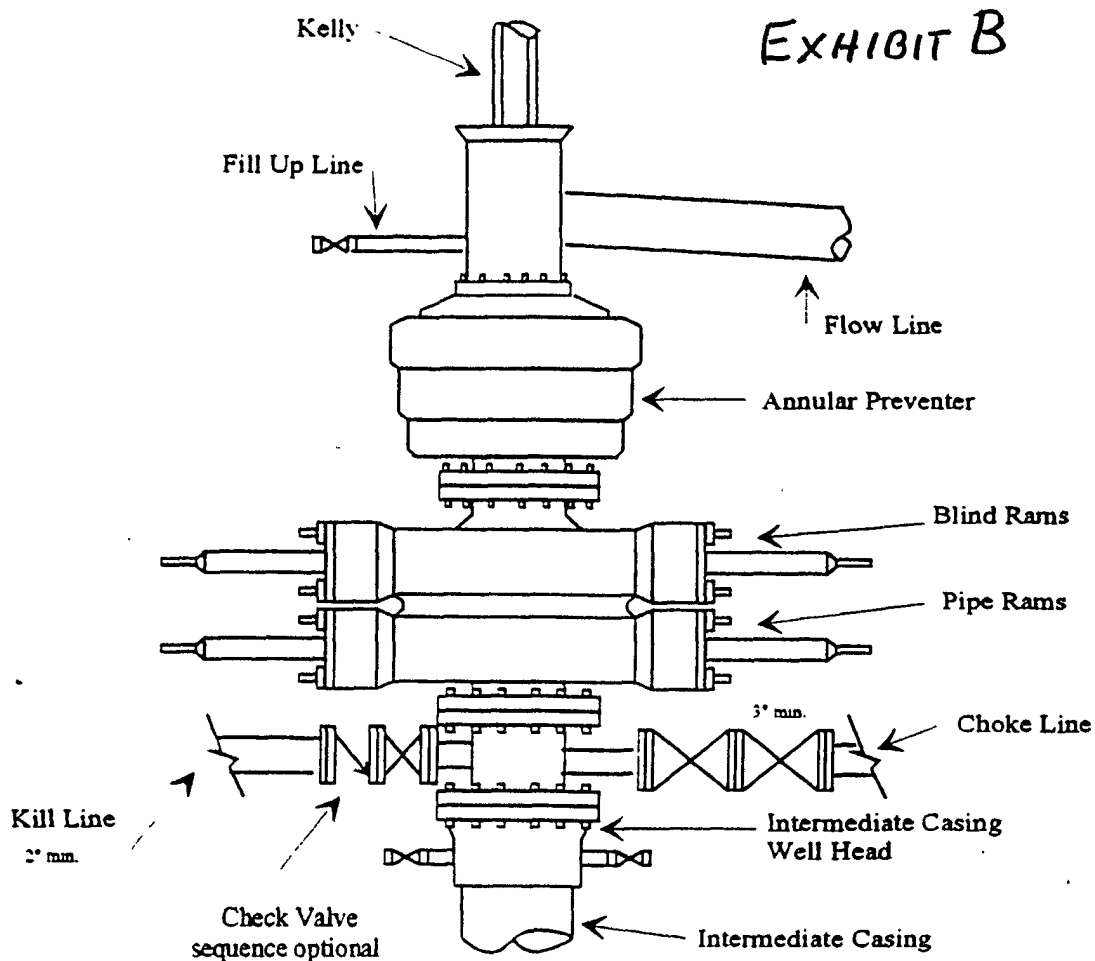
Plans are to drill this well as soon as possible after receiving approval. It should take approximately 15 days to drill the well with completion taking another 20 days.



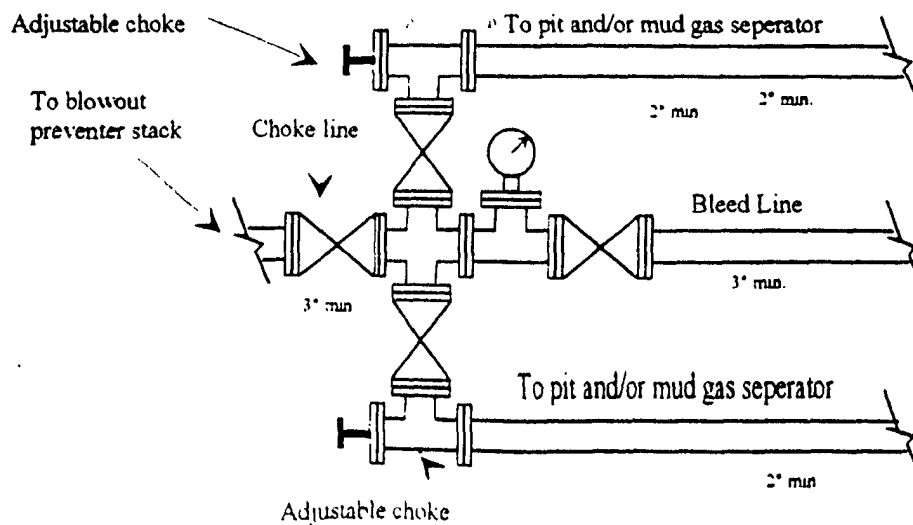
# Yates Petroleum Corporation

BOP-3

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



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



District I  
1625 N. French Dr., Hobbs, NM 88240  
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1301 W. Grand Avenue, Artesia, NM 88210  
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1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: (505)748-1471 e-mail address: cliff@ypcnm.com  
Address: 105 S. 4th 30-025-38450  
Facility or well name: Amazing BAZ Federal #3 API #: U/L or Qtr/Qtr Sec 30 T 22S R 32E  
County: Lea Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume <u>24000</u> bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>~ 250'</u>	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)
	Ranking Score (Total Points) 0

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: 5/26/2006

Printed Name/Title: Clifton R. May/Regulatory Agent Signature: Clifton R. May

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: 6/29/07

Printed Name/Title: CHRIS WILLIAMS/DIST. SUPT. Signature: Chris Williams