

EC

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OOD-HOBBS

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM81274
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA Agreement, Name and No.
Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		8. Lease Name and Well No. THYME APY FEDERAL 11
3a. Address 105 SOUTH 4TH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	9. API Well No. 30-025-36192 30-025-33673
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWSW 1650FSL 990FWL At proposed prod. zone NWSW 1650FSL 990FWL L		10. Field and Pool, or Exploratory RED TANK BONE SPRINGS
14. Distance in miles and direction from nearest town or post office* APPROX. 41 MILES NW OF JAL, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 1 T23S R32E Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease 479.25	12. County or Parish LEA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 9200 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3749 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 40.00
23. Estimated duration 35 DAYS		20. BLM/BIA Bond No. on file

24. Attachments

Carlsbad Confined Water Basin

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 an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CLIFTON R. MAY Ph: 505.748.4347	Date 01/21/2003
Title REGULATORY AGENT		
Approved by (Signature) /S/ JOE G. LARA	Name (Printed/Typed) /S/ JOE G. LARA	Date FEB 24 2003
Title ACTING FIELD MANAGER CARLSBAD FIELD OFFICE		

Application approval does not warrant or certify 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.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and with intent to defraud, to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPER. OGRID NO 25575
PROPERTY NO 18793
POOL CODE 51683
EFF. DATE 3-3-03
API NO 30-025-36192

Additional Operator Remarks (see next page)

DECLARED WATER BASIN
CEMENT BEHIND THE 11344
CASING MUST BE CIRCULATED

Electronic Submission #17832 verified by the BLM Well For YATES PETROLEUM CORPORATION, sent
Committed to AFMSS for processing by Linda Askwig on 01/21/2003 (U.S. LAUDS)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED

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District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, 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 & Natural Resources Department

Form C-102

Revised August 15, 2000

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies



AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 36192 30-025-33675		² Pool Code 51683		³ Pool Name Red Tank Bone Spring	
⁴ Property Code 18793		⁵ Property Name THYME APY FEDERAL			⁶ Well Number 11
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3749'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	1	23S	32E		1650	South	990	West	Lea

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Clifton R. May Printed Name Regulatory Agent Title 1/16/2003 Date			
	¹⁸ SURVEYOR CERTIFICATION 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor			
	Certificate Number			

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name RED TANK BONIE SPRING
Property Code	Property Name THYME "APY" FEDERAL		Well Number 11
OCRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevations 3749

10 Surface Location

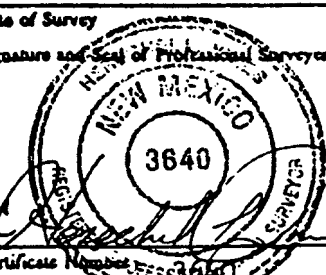
UL or lot no. L	Section 1	Township 23S	Range 32E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 990	East/West line WEST	County LEA
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

<div>16</div> <div>NM-81274</div> <div>990'</div> <div>1650'</div>				<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div>Clifton R. May</div> <div>Signature</div> <div>Clifton R. May</div> <div>Printed Name</div> <div>Regulatory Agent</div> <div>Title</div> <div>10-10-96</div> <div>Date</div>
				<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>10/04/96</div> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor</div> <div></div> <div>Certificate Number FESS3640</div>

YATES PETROLEUM CORPORATION
Thyme APY Federal #11
1650' FSL and 990' FWL
Section 1-T23S-R32E
Lea County, New Mexico

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

Rustler	1260'	Cherry Canyon	5990'
Top of Salt	1295'	Bone Spring	8800'
Bottom of Salt	4680'	TD	9200'
Delaware	4968'		

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

Water: 250' – 750'
Oil or Gas: 8800'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/4" 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.

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>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
14 3/4"	11 3/4"	42#	J-55	ST&C	0-1270'	1270'
11"	8 5/8"	32#	J-55	ST&C	0-4200'	4200'
12 1/4"	8 5/8"	32#	HC-80	ST&C	4200-4810'	610'
7 7/8"	5 1/2"	17#	N-80	LT&C	0-2000'	2000'
7 7/8"	5 1/2"	17#	J-55	LT&C	2000-3000'	1000'
7 7/8"	5 1/2"	15.5#	J-55	LT&C	3000-7000'	4000'
7 7/8"	5 1/2"	17#	J-55	LT&C	7000-8500'	1500'
7 7/8"	5 1/2"	17#	N-80	LT&C	8500-9200'	700'

- 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 company to do the testing. Also, the bottom hole pressure in this field is proven to be near 1000 psi. A shut in surface pressure would be less than 1000 psi. 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.

B. CEMENTING PROGRAM:

Surface Casing: 550 sx Pacesetter Lite "C" w/ 1/4# Cellocel + 3% CaCl₂ (YLD 1.84 WT 12.4) + 250 sx Class "C" w/2% CaCl₂ (YLD 1.32 WT 14.8). Cement calculated to circulate to surface.

Intermediate Casing: 1500 sx Pacesetter Lite "C" w/ 1/4# Cellocel + 3% CaCl₂ (YLD 1.32 WT 14.8) + 250 sx Class "C" w/2% CaCl₂ (YLD 1.32 WT 14.8). Cement calculated to circulate to surface.

Production Casing: 1st Stage: 250 sx "H" w/8# sx CSE + 0.6% CF-14 + 5# sx Gilsonite (YLD 1.75 WT 13.6). Cement calculated to 8000' DV tool set @ approximately 8000'.

2nd Stage: 650 sx Pacesetter Lite "C" w/5# sx Gilsonite, 1/4# sx Cellocel + 0.5% CF-14 (YLD 1.84 WT 12.7) + 150 sx "H" w/0.5% CF-14 (YLD 1.78 WT 13.6). Cement calculated to tie back to intermediate casing 100'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1270'	FW GEL	8.6-9.6	32-36	N/C
1270'-4810'	Brine	10.0-10.2	28	N/C
4810'-9200'	Cut Brine/Starch	8.9-9.1	30	<15/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: Every 20' from surface to 4000', 10' from 4000' to TD.

Logging: CNL/LDT from TD to casing, w/ GR-CNL up to surface, DLL w/RXO from TD to casing; CMR over selected intervals.

Coring: None anticipated

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 1270'	Anticipated Max. BHP: 250 PSI
From: 1270'	TO: 4810'	Anticipated Max. BHP: 2062 PSI
From: 4810'	TO: TD	Anticipated Max. BHP: 3800 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None.

Maximum Bottom Hole Temperature: 140 F

8. 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.

FEB 2000
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11. SURFACE OWNERSHIP: Federal Surface administered by BLM

12. OTHER INFORMATION:

A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, and historical and cultural sites.

B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE:

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

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

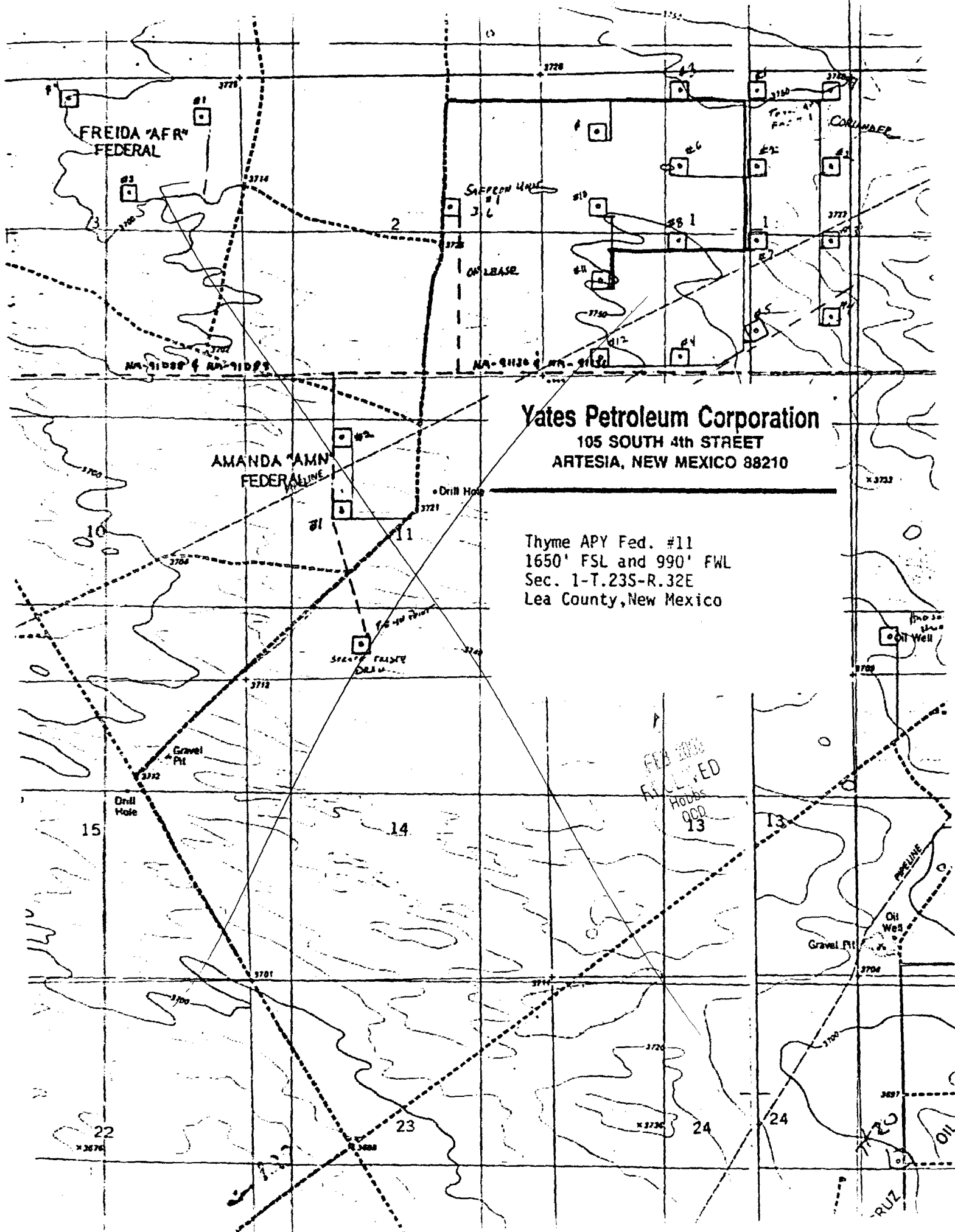
14. CERTIFICATION:

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.

1/16/2003

Clifton R. May
Regulatory Agent

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Hobbs
OCD



Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

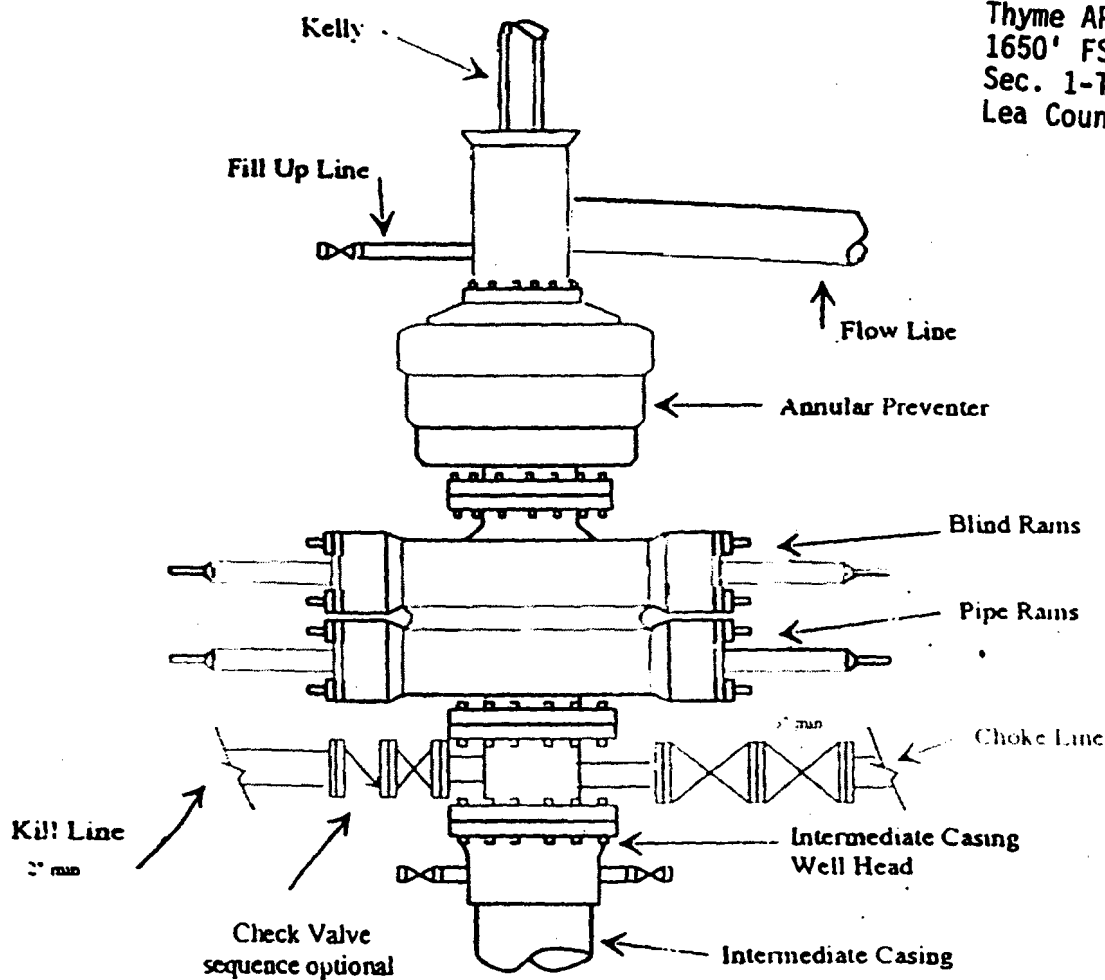
Thyme APY Fed. #11
1650' FSL and 990' FWL
Sec. 1-T.23S-R.32E
Lea County, New Mexico



Yates Petroleum Corporation

BOP-3

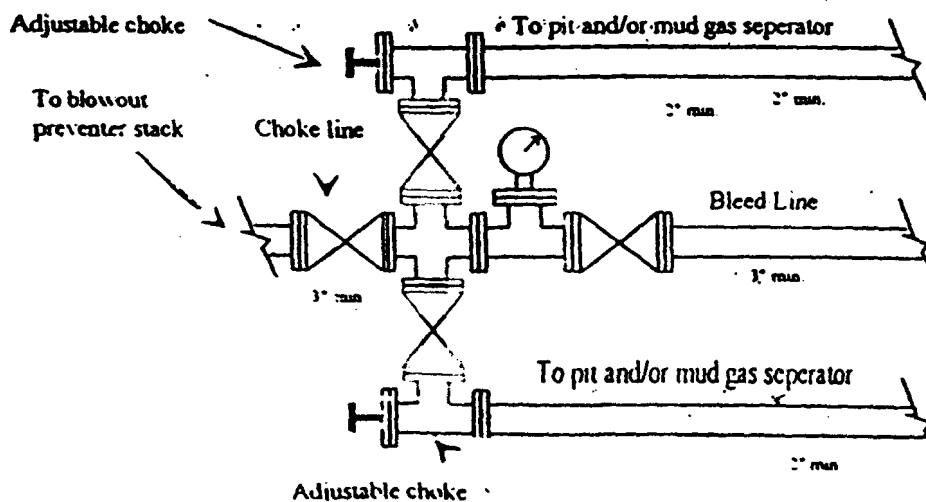
Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Thyme APY Fed. #11
1650' FSL and 990' FWL
Sec. 1-T.23S-R.32E
Lea County, New Mexico

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OCD

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



PROHIBITION FED UNIT
MARALO (OPER)

BOOTLEG RIDGE, NV

BOOTLEG RIDGE

Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Thyme APY Fed. #11
1650' FSL and 990' FWL
Sec. 1-T.23S-R.32E
Lea County, New Mexico

PRONGHORN

DIAMOND

PENNEL