

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

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APR 28 2010

HOBBSDO

Form 3160-3
(February 2005)

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

5. Lease Serial No **MM-106692**
V-7382

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

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

8. Lease Name and Well No. **38129**
Mantis BQM State Com #1H

9. API Well No.
30-005-29131

10. Field and Pool, or Exploratory
Tulka Wildcat Wolfcamp SW

11. Sec , T., R., M., or Blk. And Survey or Area
Sec. 35-15S-30E & Sec. 36-15S-30E

12. County or Parish
Chaves

13. State
NM

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

3a. Address
105 South Fourth Street, Artesia, NM 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
1980' FSL & 2130' FEL, Section 36-T15S-R30E Unit J

At proposed prod. zone
1650' FSL & 1980' FEL, Section 35-T15S-R30E Unit J

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

Approximately 36 miles northeast of Artesia, 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 **360.00**

17. Spacing Unit dedicated to this well
N2SE-Sec.35 & N2SW, NWSE, Sec. 36

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **13311'**

19. Proposed Depth **13311'**

20. BLM/ BIA Bond No. on file
NATIONWIDE BOND #NMB000434

21. Elevations (Show whether DF, KDB, RT, GL, etc)
4166' GL

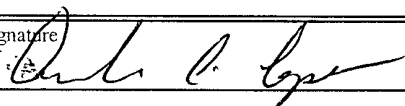
22. Approximate date work will start*
ASAP

23. Estimated duration
60 days

24. Attachments
ROSWELL CONTROLLED 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
- ap
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must 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 BLM

25. Signature  Name (Printed/ Typed) **Cy Cowan** Date **4/22/2010**

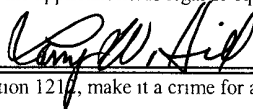
Title
Land Regulatory Agent

Approved By (Signature) **ISI Angel Mayes** Name (Printed/ Typed) **ISI Angel Mayes** Date **APR 27 2010**

Title
Assistant Field Manager, Lands And Minerals Office
ROSWELL 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.



APR 28 2010

APPROVED FOR 2 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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

* (Instructions on page 2)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

COMMENT BEHIND THE **133"**
CASING MUST BE CIRCULATED. WITNESS

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 and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-005-29131	Pool Code 60615	Pool Name Talk Wolfcamp SW
Property Code 38125	Property Name MANTIS "BQM" STATE COM	Well Number 1H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 4166'

Surface Location

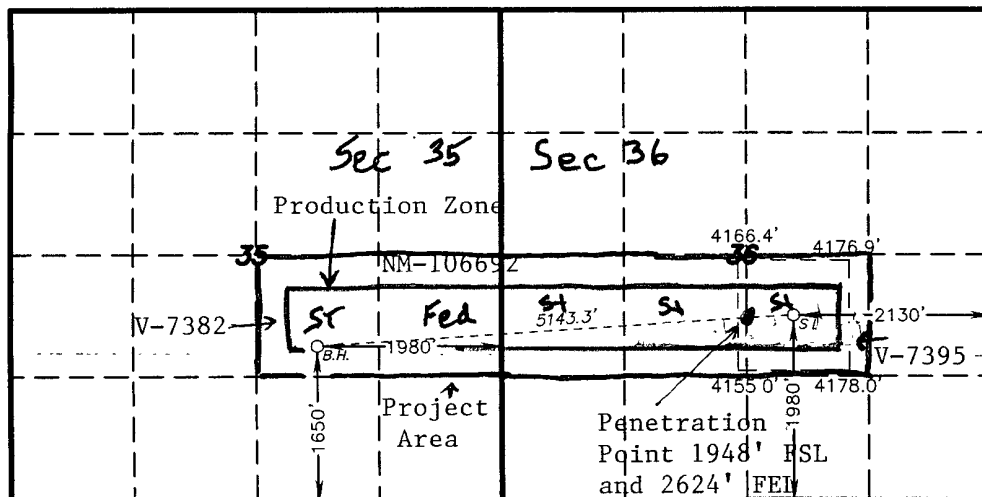
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	36	15 S	30 E		1980	SOUTH	2130	EAST	CHAVES

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
J	35	15 S	30 E		1650	SOUTH	1980	EAST	CHAVES

Dedicated Acres 200	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



PROPOSED BOTTOM
HOLE LOCATION

Lat - N 32°58'10.68"
Long - W 103°53'36.73"
NMSPCE- N 716769.110
E 676219.391
(NAD-83)

SURFACE LOCATION

Lat - N 32°58'13.89"
Long - W 103°52'36.49"
NMSPCE- N 717115.707
E 681349.657
(NAD-83)

OPERATOR CERTIFICATION

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.

Clifton May 4/22/10
Signature Date

Clifton May
Printed Name

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.



Certificate No. Gary L. Jones 7977

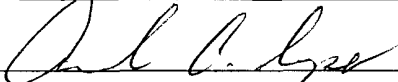
Basin Surveys

CERTIFICATION
YATES PETROLEUM CORPORATION
Mantis BQM State Com #1H
1980' FSL & 2130' FEL, Sec. 36-T15S-R30E, SHL
1650' FSL & 1980' FWL, 35-T15S-R30E, BHL
Chaves County, New Mexico

I hereby certify that I or the company I represent, have inspected the drill site and access route proposed herein; that the company I represent is familiar with the conditions which currently exist; that full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that the company I represent is responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 22th day of April, 2010.

Printed Name Cy Cowan

Signature 

Position Title Land Regulatory Agent

Address 105 South Fourth Street, Artesia, NM 88210

Telephone 575-748-4372

E-mail (optional) cy@yatespetroleum.com

Field Representative (if not above signatory) Tim Bussell

Address (if different from above) Same

Telephone (if different from above) 575-748-4221

E-mail (optional) _____

YATES PETROLEUM CORPORATION
Mantis BQM State Com. #1H
1980' FSL and 2310' FEL, Section 36-15S-30E, Surface Hole Location
1650' FSL & 1980' FEL, Section 35-15S-30E, Bottom Hole Location
Chaves County, New Mexico

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

Yates	2911'	Glorieta	5025'
Seven Rivers	2248'	Tubb	6304'
Queen	2794' Oil/Gas	Abo	7101' Oil/Gas
Grayburg	3198' Oil	Wolfcamp	8342' Oil
San Andres	3527' Oil	TD (Pilot Hole)	8600'
		TMD (Lateral)	13311'

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

Water: 160'

Oil or Gas: Zones: 2794' Oil/Gas, 3198' Oil, 3527' Oil, 7101' Oil & 8342' Oil.

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 3000# BOP System. Pressure tests 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.
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

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/4"	48#	H-40	ST&C	0-400'	400'
12 1/4"	9 5/8"	40#	J-55	ST&C	0-100'	100'
12 1/4"	9 5/8"	36#	J-55	ST&C	100'-3300'	3200'
12 1/4"	9 5/8"	40#	J-55	ST&C	3300'-3650'	350'
8 3/4"	7"	26##	HCP- 110	LT&C	0'-7800'	7800'
6 1/8"	4 1/2"	11.6#	HCP-110	LT&C	7600'-13311'	6550'

(Peak Completion Liner Assembly)

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

B. CEMENTING PROGRAM:

Surface Casing: Cement with 425 sacks Class C w/CaCl₂ (Yld 1.34Wt. 14.80). TOC surface.

Intermediate Casing: Lead with 985 sacks of C Lite (Yld 2.04 Wt 12.50). Tail in with 200 sacks Class C/CaCl₂ (YLD 1.33 WT 14.80 YLD). TOC surface

Intermediate 2 Casing: Cement with 850 sacks 50:50:10C (Yld 2.43 Wt 11.60). Tail in with 200 sacks Pecos VILt (Yld 1.41 Wt. 13.00). TOC surface..

Pilot hole drilled vertically to 8600'. A 400'-500' kick off plug will be set and dressed off. 7" casing will be run and cemented at 7800'. Well will be kicked off at approximately 7895' at 12 degrees per 100' with a 6 1/8" hole to 13311' MD (8202' TVD) where 4 1/2" Peak Completion Liner Assembly will be set and will **not** be cemented. Penetration point of producing zone will be encountered at 1948' FSL & 2624' FEL, 36-15S-30E. Deepest TVD in the well is 8600' in the pilot hole. Deepest TVD in the lateral will be 8372'.

6. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-400'	Fresh Water Gel	8.60-9.00	32-34	N/C
400'-3650'	Brine Water	10.00-10.20	28-28	N/C
3650'-7050'	Cut Brine	8.70-9.00	28-28	N/C
7050'-8600'	Cut Brine(Pilot Hole)	8.70-9.20	28-28	N/C
7895'-13311'	Cut Brine(Lateral Section)	8.50-8.90	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 intermediate casing to TD

Logging: Platform Express; CNL/LDT/NGT TD to intermediate casing, CNL/GR TD to surface, DLL-MSFL TD to surface casing, BHC-Sonic TD to surface casing, Horizontal-MWD-GR

Coring: None anticipated

DST's: None Anticipated

Mudlogging: Yes

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

Maximum Anticipated BHP:

0'-400' 190 PSI

400'-3650' 1935 PSI

3650'-8600' 4115 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 150 F

9. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 60 days to drill the well with completion taking another 20 days.

Co: 0				Units: Feet, °, 7100ft				VS Az: 266.32		Tgt TVD: 8202.00		
Drillers: 0				Elevation:				Tgt Radius: 0.00		Tgt MD: 0.00		
Well Name: Mantis BQM State Com. #1H				Northing:				Tgt N/S: -330.00		Tgt Displ.: 0.00		
Location: 0				Easting:				Tgt E/W: -5130.00		Method: Minimum Curvature		
Mantis BQM State Com 1H												
No.	MD	CL	Inc.	Azi.	TVD	VS	+N/S-	+E/W-	BR	WR	DLS	Comments

0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
1	2011.00	2011.00	0.00	360.00	2011.00	0.00	0.00	0.00	0.00	0.00	0.00	Yates
2	2248.00	237.00	0.00	360.00	2248.00	0.00	0.00	0.00	0.00	0.00	0.00	Seven Rivers
3	2794.00	546.00	0.00	360.00	2794.00	0.00	0.00	0.00	0.00	0.00	0.00	Queen
4	3198.00	404.00	0.00	360.00	3198.00	0.00	0.00	0.00	0.00	0.00	0.00	Grayburg
5	3527.00	329.00	0.00	360.00	3527.00	0.00	0.00	0.00	0.00	0.00	0.00	San Andres
6	5025.00	1498.00	0.00	360.00	5025.00	0.00	0.00	0.00	0.00	0.00	0.00	Glorieta
7	6304.00	1279.00	0.00	360.00	6304.00	0.00	0.01	0.00	0.00	0.00	0.00	Tubb
8	7101.00	797.00	0.00	360.00	7101.00	0.00	0.01	0.00	0.00	0.00	0.00	Abo
9	7895.20	7895.20	0.00	266.32	7895.20	0.00	0.01	0.00	0.00	3.37	0.00	KOP
10	7899.86	4.66	0.58	266.32	7899.86	0.02	0.01	-0.02	12.36	0.00	12.36	
11	8000.86	101.00	12.68	266.32	8000.00	11.66	-0.74	-11.63	11.98	0.00	11.98	
12	8106.86	105.99	25.40	266.32	8099.99	46.16	-2.96	-46.07	12.00	0.00	12.00	
13	8225.72	118.87	39.67	266.32	8199.94	109.93	-7.05	-109.70	12.01	0.00	12.01	
14	8380.58	154.85	57.97	266.32	8301.46	225.99	-14.50	-225.52	11.82	0.00	11.82	
15	8473.14	577.93	69.35	266.32	8341.99	309.10	-19.84	-308.46	12.00	0.00	12.00	Wolfcamp
16	8662.70	767.50	92.10	266.32	8372.35	494.96	-31.77	-493.94	12.00	0.00	12.00	Target Zone
17	13311.47	4648.76	92.10	266.32	8202.00	5140.60	-329.99	-5130.00	0.00	0.00	0.00	Lateral TD

