

## N. M. OIL COMMISSION

P. O. BOX 11

HOBBS, NEW MEXICO 88240

SUBMIT IN TRIPLICATE\*

(Other instructions on  
reverse side)

FORM APPROVED

OMB NO. 1004-0136

Expires: February 28, 1995

Form 3160-3  
(July 1992)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☐DEEPEN ☒

Re-entry

## b. TYPE OF WELL

OIL  
WELL ☒GAS  
WELL ☐OTHER ☐SINGLE  
ZONE ☐MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

YATES PETROLEUM CORPORATION

## 3. ADDRESS AND TELEPHONE NO.

105 South Fourth Street, Artesia, New Mexico 88210

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

Unit Letter H; 2108' FNL and 734' FEL

At proposed prod. zone

Same

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

16 miles west of Milnesand, New Mexico

## 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

640

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

## 19. PROPOSED DEPTH

4875'

## 20. ROTARY OR CABLE TOOLS

Workover Rig

## 21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4423' GR

## 22. APPROX. DATE WORK WILL START\*

ASAP

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH  | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|----------------|--------------------|
| 15"          | 11 3/4"               | 42#             | 413' In Place  | 350 sacks          |
| 11"          | 8 5/8"                | 32#             | 3574' In Place | 300 sacks          |
| 7 7/8"       | 5 1/2"                | 15.5#           | TD             | 350 sacks          |

YATES PETROLEUM CORPORATION PLANS TO RE-ENTER THIS WELL AND DRILL OUT THE PLUGS TO A DEPTH OF 4875'. RUN PRODUCTION CASING TO TD, CEMENT WITH ADEQUATE COVER, PERFORATE AND STIMULATE AS NEEDED FOR PRODUCTION. THIS WELL WAS ORIGINALLY DRILLED BY SHELL OIL COMPANY AS THEIR JAMES FEDERAL #2 TO A DEPTH OF 9114' IN 1965. P & A'd IN 1966.

MUD PROGRAM: BRINE TO TD.

BOPE PROGRAM: BOPE WILL BE INSTALLED ON THE 8 5/8" CASING.

NOTE: This well has to be capable of producing by 10-31-94.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION  
OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION  
OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT  
IN ADVANCE.

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

Cliff L. May

TITLE

PERMIT AGENT

DATE

9-1-94

(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

John A. Spain

TITLE

Acting AM

DATE

9-30-94

\*See Instructions On Reverse Side

## 5. LEASE DESIGNATION AND SERIAL NO.

NM-82906

## 6. IF INDIAN, ALLOTTEE OR TRIBE NAME

## 7. UNIT AGREEMENT NAME

## 8. FARM OR LEASE NAME, WELL NO.

Shell James A00 Federal #1

## 9. API WELL NO.

30-DD5-10120

## 10. FIELD AND POOL OR SURVEY

Undesignated San Andres

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREA

Sec. 24-T8S-R32E

## 12. COUNTY OR PARISH

Chaves

## 13. STATE

New Mexico

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

|   |   |   |
|---|---|---|
| <sup>1</sup> API Number<br>30-005-10120 | <sup>2</sup> Pool Code<br>CHAVEZ                          | <sup>3</sup> Pool Name<br>UNDESIGNATED SAN ANDRES |
| <sup>4</sup> Property Code<br>15774     | <sup>5</sup> Property Name<br>SHELL JAMES "A00" FEDERAL   | <sup>6</sup> Well Number<br>1                     |
| <sup>7</sup> OGRID No.<br>25575         | <sup>8</sup> Operator Name<br>YATES PETROLEUM CORPORATION | <sup>9</sup> Elevation<br>4423' GR                |

<sup>10</sup> Surface Location

|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|               | 24      | 8S       | 32E   |         | 2108          | NORTH            | 734'          | EAST           | CHAVES |

<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<br>40 | <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>   |  |  |  |  | 2108' |
|   |  |  |  |  | 734'  |
|   |  |  |  |  |       |
|   |  |  |  |  |       |
| <sup>17</sup> OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief<br><br>Signature<br>CLIFTON R. MAY<br>Printed Name<br>PERMIT AGENT<br>Title<br>9-1-94<br>Date  |  |  |  |  |       |
| <sup>18</sup> SURVEYOR CERTIFICATION<br>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.<br><br>REFER TO ORIGINAL PLAT<br>Date of Survey<br>Signature and Seal of Professional Surveyer:<br><br>Certificate Number |  |  |  |  |       |

**YATES PETROLEUM CORPORATION**  
**Shell James "AOO" Federal #1 (Re-Entry)**  
**2108' FNL and 734' FEL**  
**Sec. 24-T8S-R32E**  
**Chaves County, New Mexico**

RECEIVED

SEP 2 2 42 PM '94  
BUREAU OF LAND MANAGEMENT  
ROSKOPF

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

|              |            |
|--------------|------------|
| Rustler      | 1785'      |
| Yates        | 2340'      |
| San Andres   | 3555'      |
| Pay Interval | 4200-4550' |
| TD           | 4700'      |

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

Water: Approximately 250-300'  
Oil or Gas: San Andres 4200'

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 2000 PSI 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>Thread</u> | <u>Coupling</u> | <u>Interval</u> | <u>Length</u>  |
|------------------|--------------------|---------------|--------------|---------------|-----------------|-----------------|----------------|
| 15"              | 11.3/4"            | 42#           | J55          | 8RD           | LT&C            | 0-413'          | 413' In Place  |
| 11"              | 8.5/8"             | 32#           | J55          | 8RD           | LT&C            | 0-3574'         | 3574' In Place |
| 7.7/8"           | 5.1/2"             | 15.5#         | J55          | 8RD           | LT&C            | 0-4875'         | 4875'          |

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80
2. Yates Petroleum Corporation requests that a variance be granted in requiring the casing and BOPE to be tested to 1500 PSI to testing the casing and BOPE to 1000 PSI. The rig pumps will be used to test the casing. 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 to do the testing.

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SEP 2 2 42 PM '94

GULF  
ROCK  
ST  
ROE

**B. CEMENTING PROGRAM:**

Surface casing: In Place - Cemented with 350 sacks.

Intermediate Casing: In Place - Cemented with 300 sacks.

Production Casing: Cement with 350 sx. "C" with 8# Silica Lite (yield 1.6 wt 14).

**5. Mud Program and Auxiliary Equipment:**

| <u>Interval</u> | <u>Type</u> | <u>Weight</u> | <u>Viscosity</u> | <u>Fluid Loss</u> |
|-----------------|-------------|---------------|------------------|-------------------|
| 0-TD            | Brine Water | 9.3           | -                | -                 |

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: None.

Logging: CNL/LDT TD to csg.; w/1" correlation log; DLL - MSFL from TD to casing.

Coring: None

DST's: One possible in San Andres.

**7. Abnormal Conditions, Bottom hole pressure and potential hazards:**

Anticipated BHP:

From: 0 To: 4700' Anticipated Max. BHP: 500 PSI

Abnormal Pressures Anticipated: None

Lost Circulation zones anticipated: None

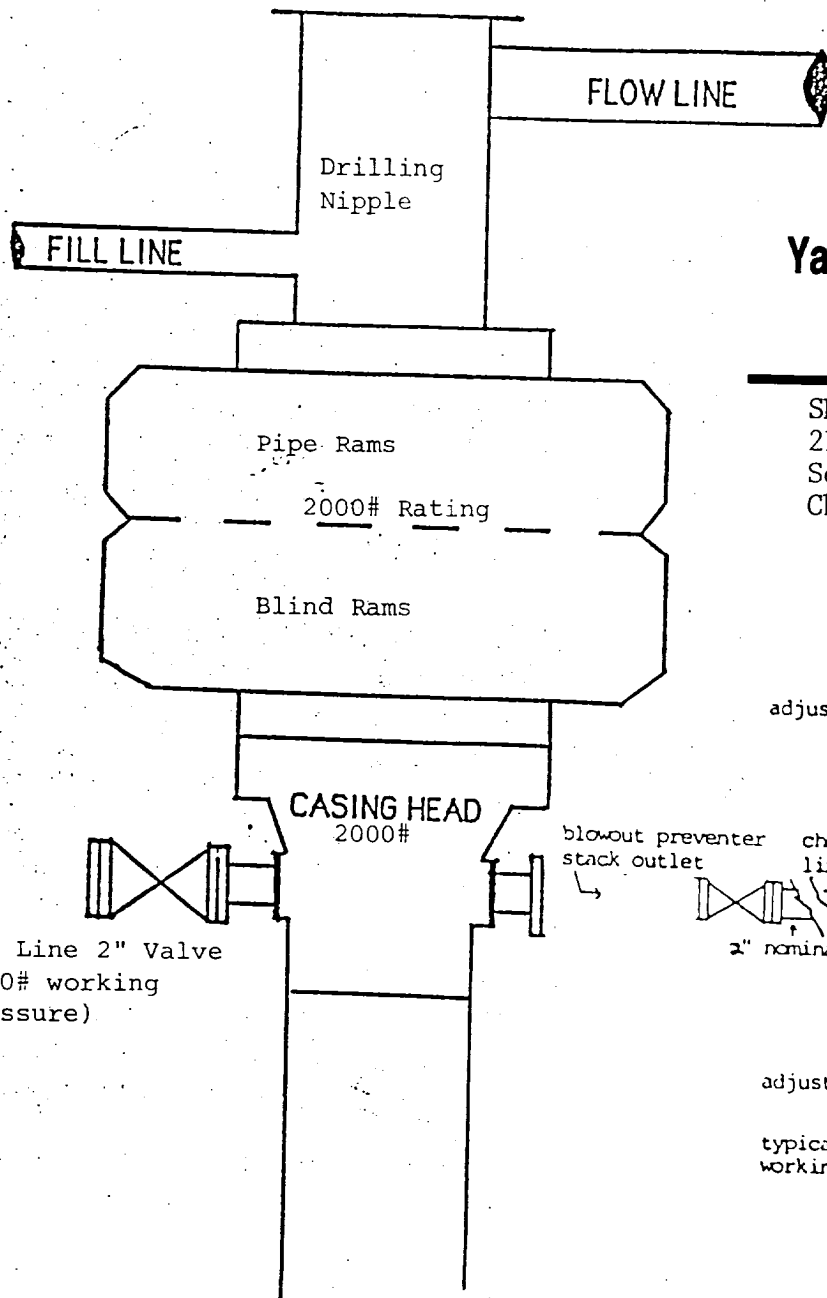
H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 119 F

**8. ANTICIPATED STARTING DATE:**

Plans are to re-enter this well as soon as possible after receiving approval. It should take approximately 10 days to drill the well with completion taking another 8 days.

# YATES PETROLEUM CORPORATION

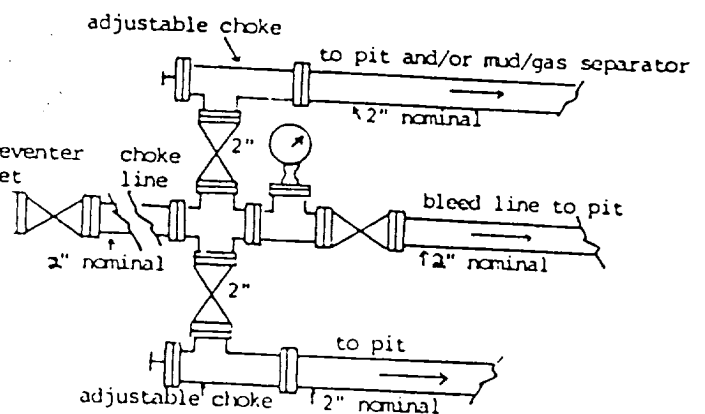


**Yates Petroleum Corporation**

105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

SHELL JAMES AOO FEDERAL #1  
2108' FNL and 734' FEL  
Sec. 24-T8S-R32E  
Chaves County, New Mexico

EXHIBIT B



typical choke manifold assembly for 2M rated  
working pressure service-surface installation

**BLOWOUT PREVENTER  
2M SYSTEM**