

OCD-HOBBS

SUBMIT IN DUPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK

DRILL ☐

DEEPEN ☒

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Harvey E. Yates Company

3. ADDRESS OF OPERATOR

P.O. Box 1933, Roswell, NM 88201 (505)623-6601

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

At surface

660' FS & EL

Unit P

At proposed prod. zone

(Will verify with Multi Shot @ TD)

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

5 miles South of Maljamar, N.M.

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

120

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.

1320'

19. PROPOSED DEPTH

10,920

20. ROTARY OR CABLE TOOLS

Rotary

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

3852.5 GL

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
* 17 1/2	13 3/8	54.5	668	600 sks - TOC @ Surface
* 11	8 5/8	24 & 32	3610	1500 sks - TOC @ Surface
7 7/8	5 1/2	17	10920	Tie into 8 5/8 csg.

*This is an Existing Well with both 13 3/8" & 8 5/8" casing intact. The original well was TD'ed to 8650' & 5 1/2 casing was run to 8650 (Old TD) in 1982. Top of cement was 7192 by CBL. Well produced until 11/93. At that time, Harvey E. Yates Company tried to recompleat in another Bone Spring Zone & found the 5 1/2 casing had parted. Now, we plan to pull out the 5 1/2 casing, set a plug at the top of the cutoff and kickoff around the old casing & drill to 10,920 & attempt a Wolfcamp completion.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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

N.M. Young

TITLE Drilling Superintendent

DATE 3/1/94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Signed by Shannon J. Shaw

PETROLEUM ENGINEER

APPROVED BY

TITLE

DATE 3/2/94

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

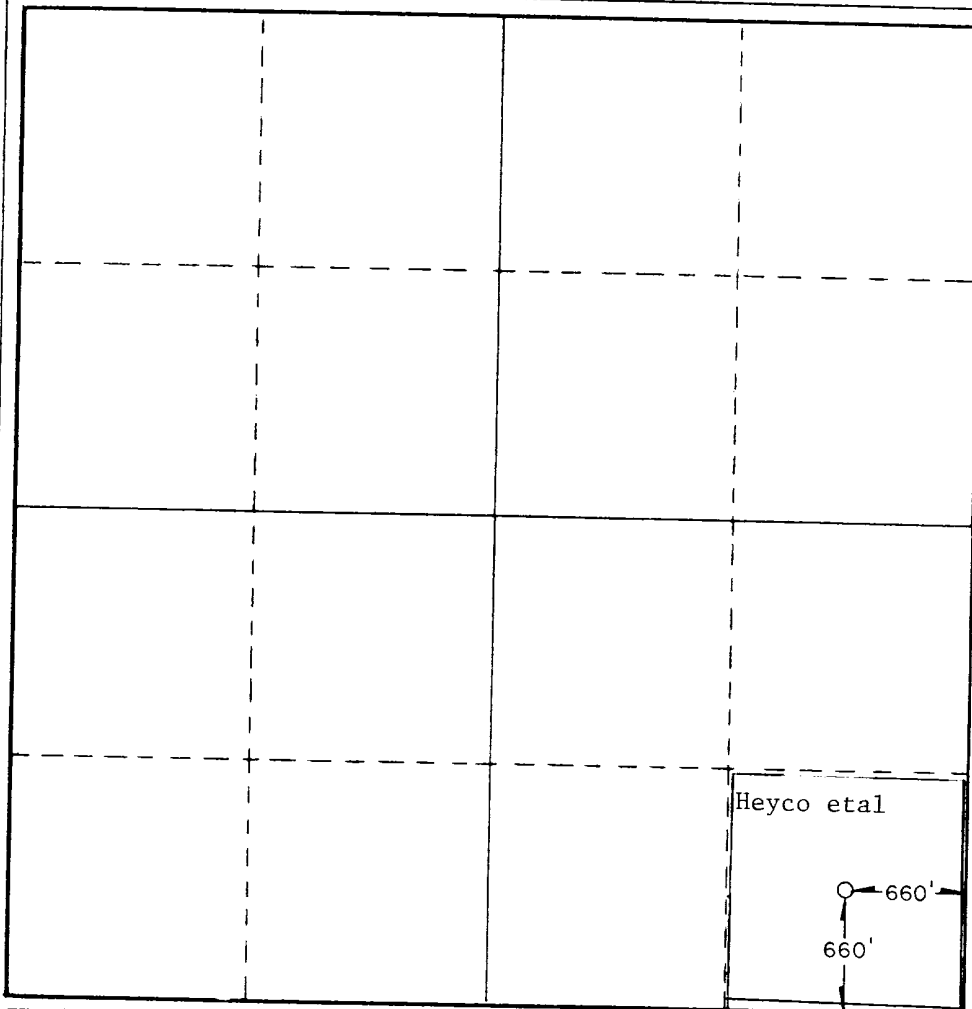
Operator Harvey E. Yates Company			Lease Young Deep 4 Federal		Well No. 2
Unit Letter P	Section 4	Township 18 South	Range 32 East	County Lea	
Actual Footage Location of Well: 660 feet from the south line and 660 feet from the east line					
Ground Level Elev. 3852.5'	Producing Formation Wolfcamp		Pool Young Wolfcamp		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

N.M. Young

Position

Drilling Superintendent

Company

Harvey E. Yates Co.

Date

March 7, 1994

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.

Date Surveyed

10-23-81

Registered Professional Engineer and/or Land Surveyor

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6663
Ronald J. Eidson 3239

Application
HARVEY E. YATES COMPANY
Young Deep Unit 4 Federal #2 Reentry
Section 4 T-18S R-32E
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill/Deepen the subject well, Harvey E. Yates Company submit the following ten items of pertinent information in accordance with Onshore Oil & Gas Order No. 10.

1. **Geologic Name of Surface Formation:** Alluvium
2. **Estimated Tops of Significant Geological Markers:**

Rustler @ 1290'; Yates @ 2707'; Seven Rivers @ 3136'; Bowers @ 3578'; Queen @ 3829'; Penrose @ 4055'; BFSA @ 4790'; Delaware @ 5135'; Bone Springs @ 6143'; Wolfcamp @ 9430'; Penn Shale @ 10850'; Proposed TD @ 10920'.
3. **The Estimated Depths at which Water, Oil, or Gas Formations are expected.**

Water: None expected in this area.
Oil: Bone Springs 2nd Sands @ 8600'; Wolfcamp @ 10500'.
Gas: Bone Springs 2nd Sands @ 8600'; Wolfcamp @ 10500'.
4. **Proposed Casing Program:** Both surface & intermediate casing strings are intact as listed on Form 3160-3. Production casing will be run and cemented as needed. HEYCO will be using some used casing when applicable.
5. **Pressured Control Equipment:** BOP & Annular. See Exhibit C. Although the rig equipment is 3M rated, this well will be a 2M psi rating.
6. **Drilling Fluid Program:** 17 1/2" & 11" hole sections are cased off. 3610' to TD, Fresh water w/mud sweeps. 8.6 #/gal & 31 Visc.
7. **Auxiliary Equipment:** None needed for this operation.
8. **Testing, Logging, & Coring Program:** One open hole test is schedule in the Wolfcamp; CNDL/DLL-MSFL are the logs to be run; Rotary side-wall cores are planned for prospective zones.

9. Abnormal Conditions, Pressures, Temperatures, or Potential Hazards

No abnormal conditions are anticipated in this well bore.

BHST - 150 deg F

BHP - 2800 psi

No Hydrogen Sulfide or other hazardous gases or fluids were encountered in any of the offset wells that HEYCO has drilled in this area. Therefore no contingency plan will be needed.

No lost circulation zones were encountered in any of the offset wells that HEYCO has drilled in this area.

10. Anticipated Starting Date & Duration of Operations:

Spud Date: March 15, 1994

Drilling Days: 15

Completion Days: 15

SURFACE USE PLAN

HARVEY E. YATES COMPANY
Young Deep Unit 4 Federal #2 Reentry
Section 4 T-18S R-32E
Lea County, New Mexico

1. Existing Roads:

Exhibit A is a portion of a New Mexico Map showing the location of the existing well. The location is approximately 45 miles east of Artesia, New Mexico. Leave Artesia going east on US Highway 82 and travel to 529. Continue going east on 529 for 7 miles. Turn south on State Road 126 and go 1.7 miles. Turn east on Young Deep Unit lease road and travel 1.5 miles to location.

2. **Planned Access Roads:** Will use only preapproved roads for access.
3. **Location of Existing Wells:** Exhibit B
4. **Location of Tank Batteries, Electrical Lines, Etc.:** Will use only preapproved batteries, flow lines & electrical lines.
5. **Location & Type of Water Supply:** Water will be from commercial sources, either hauled or pipelined.
6. **Source of Construction Material:** N/A.
7. **Methods of Handling Waste Disposal:** Waste will be handled in the approved manner. The wellsite will be cleaned of all waste and this will be done within 30 days after completion of the well.
8. **Ancillary Facilities:** N/A.
9. **Wellsite Layout:**
 - A. Exhibit D shows the relative location and dimensions of the well pad, reserve pits and major rig components.
 - B. The land is relatively flat with sandy soil and sand dunes.
 - C. We will use the same pad and pit area as the original well.

10. Plan for Restoration of the Surface:

A. After finishing drilling and/or other completion operations, all equipment and other materials not needed for further operations will be removed. Pits will be filled and the location cleaned of all trashed and junk to leave the wellsite as pleasant in appearance as possible.

B. If the proposed operation is nonproductive, all restoration and/or vegetation requirements of the BLM will be complied with and will be accomplished as quickly as possible. All pits will be filled and leveled within 90 days after abandonment.

11. Other Information:

A. The surface and minerals are Federal lands.

B. N/A

C. N/A

D. N/A

12. Operator's Representatives:

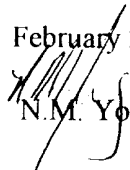
The field representatives for assuring compliance with the approved surface use and operations plans are:

Micky Young
Harvey E. Yates Co.
PO Box 1933
Roswell, New Mexico 88202
Office: 505-623-6601

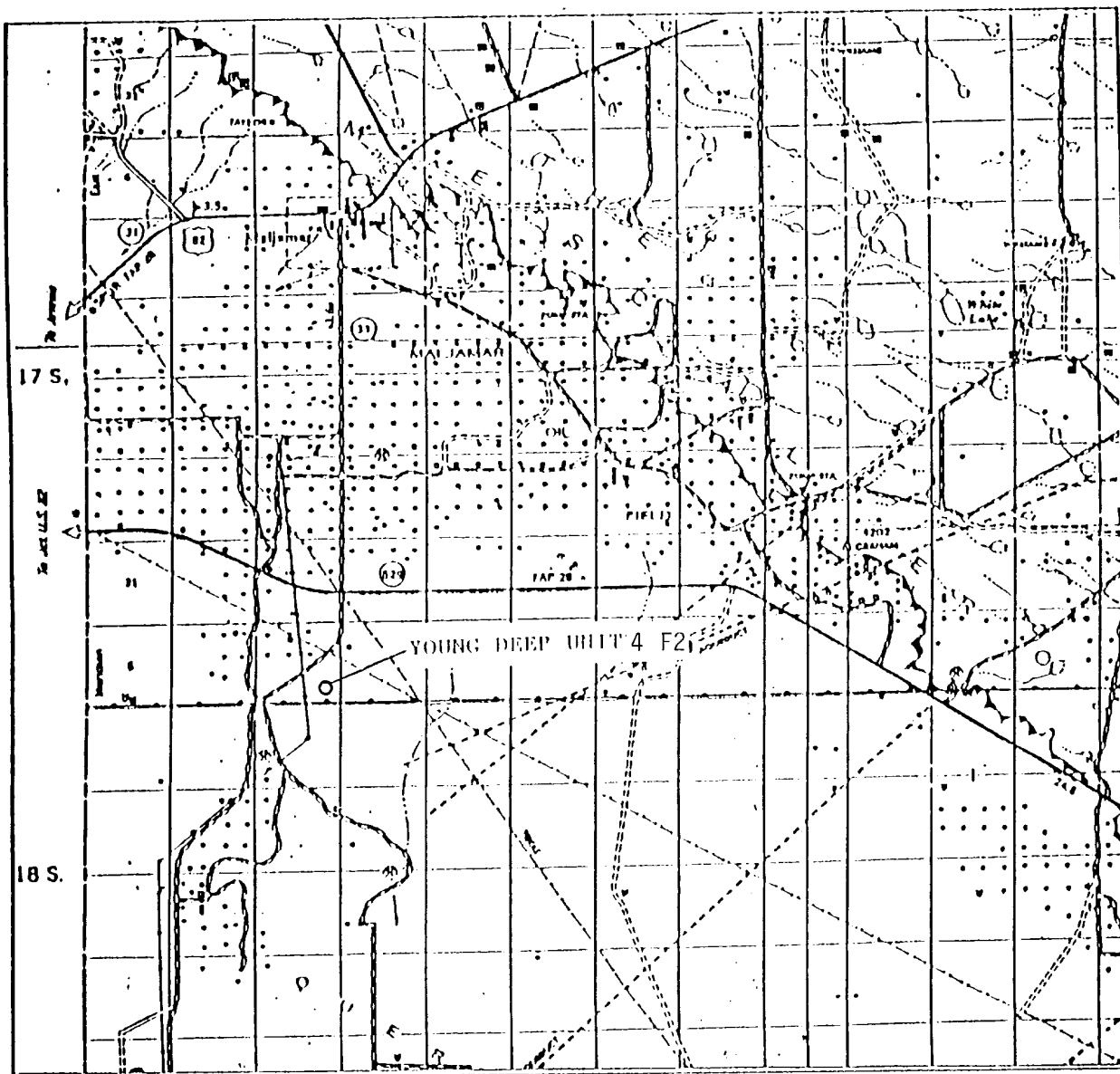
Curtis Tolle
Harvey E. Yates Co.

505-624-1818 (od) 837

February 25, 1994


N.M. Young

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 4 TWP. 18S RGE. 32E

SURVEY N.M.P.M.

COUNTY LEA STATE N.M.

DESCRIPTION 660' FEL & 660' FSL

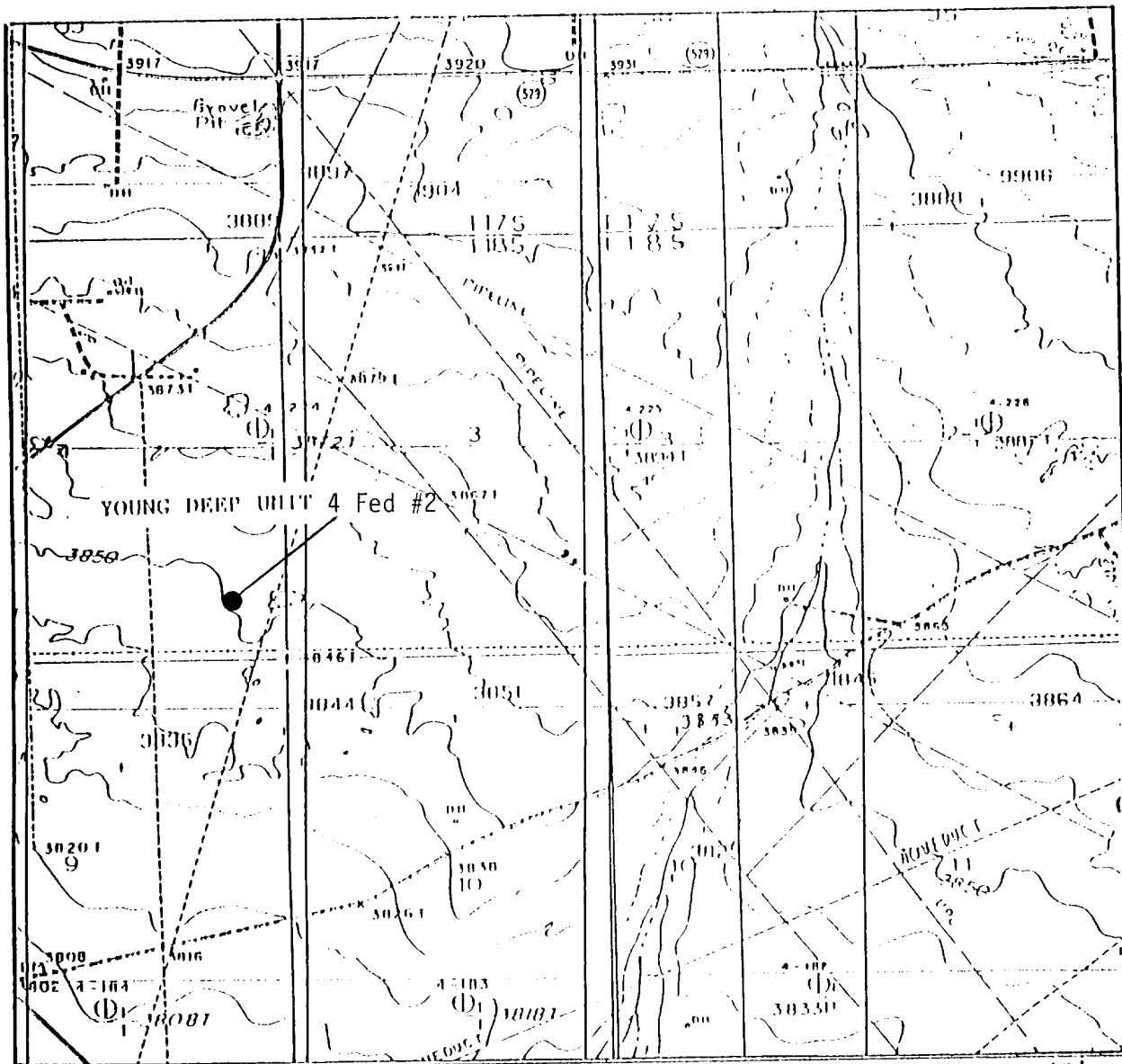
ELEVATION 3852.5 GL

OPERATOR HARVEY E. YATES CO.

LEASE YOUNG DEEP UNIT 4 Federal #2

Exhibit "A"

LOCAL VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL 10'

Exhibit "B"

SEC. 4 TWP. 18S RGE. 32E

SURVEY N.H.P.H.

COUNTY LEA STATE N.H.

DESCRIPTION 660' FEL & 660' FSL

ELEVATION 3852.5 GL

OPERATOR HARVEY E. YATES CO.

LEASE YOUNG DEEP UNIT 4 Federal #2

U.S.G.S. TOPOGRAPHIC MAP

DOG LAKE, N.H. & MAJANAR, N.H.

900 Series

