*30-025-3*0784 Form 3160-3 SUBMIT IN ' CATE. N. H. C. CUNITED STATES (November 1983) Budget Bureau No. 1004-0136 (Other instr. a on (formerly 9-331C) reverse side Expires August 31, 1985 DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT NM-11118 APPLICATION FOR PERMIT TO DRILL, DEEPEN, 6. IF INDIAN, ALLOTTES OR TRIBE NAME OR PLUG BACK 1a. TYPE OF WORK DRILL X 7. UNIT AGREEMENT NAME DEEPEN [PLUG BACK b. TYPE OF WELL OIL WELL X SINGLE MULTIPLE S. FARM OR LEASE NAME ZONE ZONE 2. NAME OF OPERATOR North Young 3 Federal Harvey E. Yates Company 9. WELL NO. 3. ADDRESS OF OPERATOR P.O. Box 1933, Roswell, New Mexico 88202 10. FIELD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) North Young Do.

1. SEC., T., R., M., OR BLE.
AND SURVEY OR AREA Done Apien 2310' FNL & 990' FEL At proposed prod. sone same Sec. 3. T18S. 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE. 7 miles south of Maljamar, N.M. Lea N.M. 10. DISTANCE FROM PROPUSED* 16. NO. OF ACRES IN LEASE DISTANCE FROM FAVOURS LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) 17. NO. OF ACRES ASSIGNED TO THIS WELL 990' 321.22 40 18. DISTANCE FROM PROPOSED LOCATION® 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1044' 8980 Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 3900.2 **ASAP** 23. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE BIZE OF CABING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 17 1/2 13 3/8 54.5 400 Approx 400 sks 12 1/4 8 5/8 32 2800 Approx 1200 sks 7/8 1/2 17 8980 Approx 350 sks MUD PROGRAM:

> 0 - 400 FW w/paper 400 - 2800 Brine water 2800 - 8980 Fw mud

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone 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.

100

BIGNED N.M. Young & NM Young	Drilling Superintendent	DATE 1/10/90
(This space for Federal or State office tree)		
APPROVED BY	TITLE	DATE 1-17 90

RECEIVED

JAN 22 1990

Con **Hove**r days o Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

DEC 04 1990

Form C-102 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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RONALD & EIDSON, 323

Application HARVEY E. YATES COMPANY North Young 3 Federal #1 Sec. 3, T18S, R32E Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 3, Township 18 South, Range 32 East, Lea County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Bureau of Land Management requirements:

- 1. The geologic surface formation is quaternary allunium and bolson deposits and other surficial deposits.
- 2. The estimated tops of geologic markers are as follow:

Rustler	1230′	Penrose	4115′
Yates	2700 ′	Grayburg	4390′
Seven Rivers	3130 ′	San Andres	4770 ′
Bowers	3590 ′	Bone Spring	6000 ′
Queen	3860 ′	TD	8980 ′

3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Springs 6000'

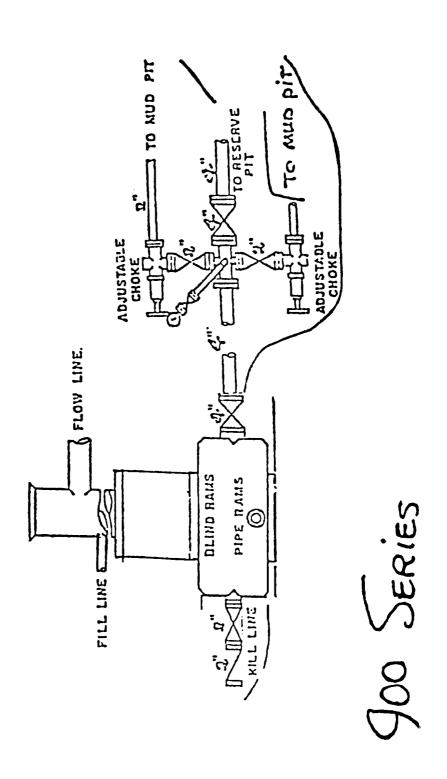
- 4. Proposed casing program: See Form 3160-3. HEYCO will be using some used casing when applicable.
- 5. Pressure control equipment: See Exhibit C. Although the rig equipment is 3M rated, this well will be a 2M PSI rating.
- 6. Mud program: See Form 3160-3.
- 7. Auxiliary equipment: Blowout preventer
- 8. Testing, logging and coring programs: Two possible DST's. No coring is anticipated. Planned logs are DLL-Micro w/GR & Caliper and CN-Den w/GR & Caliper.
- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: As soon as possible.

JAN 22 1990

OCO HOSBS CARICE

EXHIBIT C

Harvey E. Yates Co. North Young 3 Federal #1 2310'FNL & 990'FEL Sec.3 T-18S R-32E Lea Co., New Mexico



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