

Harvey E. Yates Company

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

N.M. OIL AND GAS COMMISSION  
P.O. BOX 1333  
HOBBS, NEW MEXICO 88240

LEASE DESIGNATION AND SERIAL NO.  
NM18232

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN****1a. TYPE OF WORK**DRILL ☒DEEPEN ☐**b. TYPE OF WELL**

OIL

WELL ☒

GAS

WELL ☐OTHER ☐

SINGLE

ZONE ☐

MULTIPLE

ZONE ☒**2. NAME OF OPERATOR**

HARVEY E. YATES COMPANY

**3. ADDRESS AND TELEPHONE NO.**

P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601

**4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS)**

AT SURFACE

1980' FNL &amp; 660' FWL

Unit E

AT PROPOSED PROD. ZONE

SAME

**6. IF INDIAN, ALLOTEE OR TRIBE NAME****7. UNIT AGREEMENT NAME**

URSA MAJOR 8 FEDERAL

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

1

**9. API WELL NO.**

30-025-34346

**10. FIELD AND POOL, OR WILDCAT**

YOUNG Wolfcamp, NORTH

**11. SEC., T., R., M., OR BLK**

AND SURVEY OR AREA

SEC-8, T-18S, R-32E

**12. COUNTY OR PARISH**

LEA

**13. STATE**

NM

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

APPROXIMATELY 11 MILES SOUTH OF MALJAMAR, NEW MEXICO

**15. DISTANCE FROM PROPOSED**

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

**16. NO. OF ACRES IN LEASE**

160

**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**

11,000'

**20. ROTARY OR CABLE TOOLS**

ROTARY

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

3800' GR

**APPROX. DATE WORK WILL START**

ASAP

**23. PROPOSED CASING AND CEMENTING****CAPTAN CONTROLLED WATER BASIN**

SIZE OF HOLE	GRADE, SIZE OF CASING	WT PER FT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" H-40	48# ST&C 8RD	400	425 SX "C" w/ 2% CAC & 1% FLOEAL
12 1/4"	8 5/8" J-55	32# ST&C 8RD	3100	200 SX "C" w/ 2% CAC & 1% FLOEAL 1200 SX FILLER *
7 7/8"	5 1/2" J-55	17# LT&C 8RD	11,000	1400 SX LEAD & 500 SX TAIL **

ALL CASING WILL BE NEW, OR USED MEETING BLM SPECS.

CEMENT WILL BE CIRCULATED ON 13 3/8" AND 8 5/8" CASING.

CEMENT QUANTITIES AND ADDITIVES ARE SUBJECT TO CHANGE DUE TO HOLE CONDITIONS.

\* FILLER CEMENT 35/65 "C" POZ w/ 6% GEL, 5# SALT, &amp; 1/4# FLOEAL

\*\* LEAD: 1100 SX "H" POZ w/ 2% GEL &amp; 5# SALT PER SACK

TAIL: 500 SX "H" w/ 3% KCL, .5% FLUID LOSS, .3% DISPERSANT, 1% BONDING AGENT, .3% RETARDER, &amp; .5% SODIUM METASILICATE PER SACK

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED**

**PROPOSED MUD PROGRAM**

0-400	FRESH WATER w/ PAPER & SHALE GUARD. MW-9.0 VIS-31
400-3100	BRINE WATER w/ PAPER & SHALE GUARD. MW-10.0 VIS-31
3100-9100	FRESH WATER w/ PAPER, SHALE GUARD, & AMMONIA NITRATE. 28-30,000 CHLORIDES. MW-8.6 VIS-29
9100-11000	MUD UP PRIOR TO WOLF CAMP w/ DRISPAK, MW-8.8 VIS-32 28-30,000 CHLORIDES

MUD PROGRAM SUBJECT TO CHANGE DUE TO HOLE CONDITIONS

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

Bob Williams

Bob Williams

TITLE

Drilling SuperintendentDATE FEBRUARY 16, 1998

(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 (SIC: 908) JAMES G. PETTENGILL

TITLE

Acting

ADM. MINERALS

DATE

3-20-98

TITLE 18 U.S.C. SECTION 1001, MAKES IT A CRIME FOR ANY PERSONS 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

1201

JMP

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <u>30-025-34346</u>	Pool Code <u>65590</u>	Pool Name <u>Young Wolfcamp, North</u>
Property Code <u>23085</u>	Property Name <u>URSAY MAJOR "8" FEDERAL</u>	Well Number <u>1</u>
OGRID No. <u>10179</u>	Operator Name <u>HARVEY E. YATES COMPANY</u>	Elevation <u>3782</u>

Surface Location

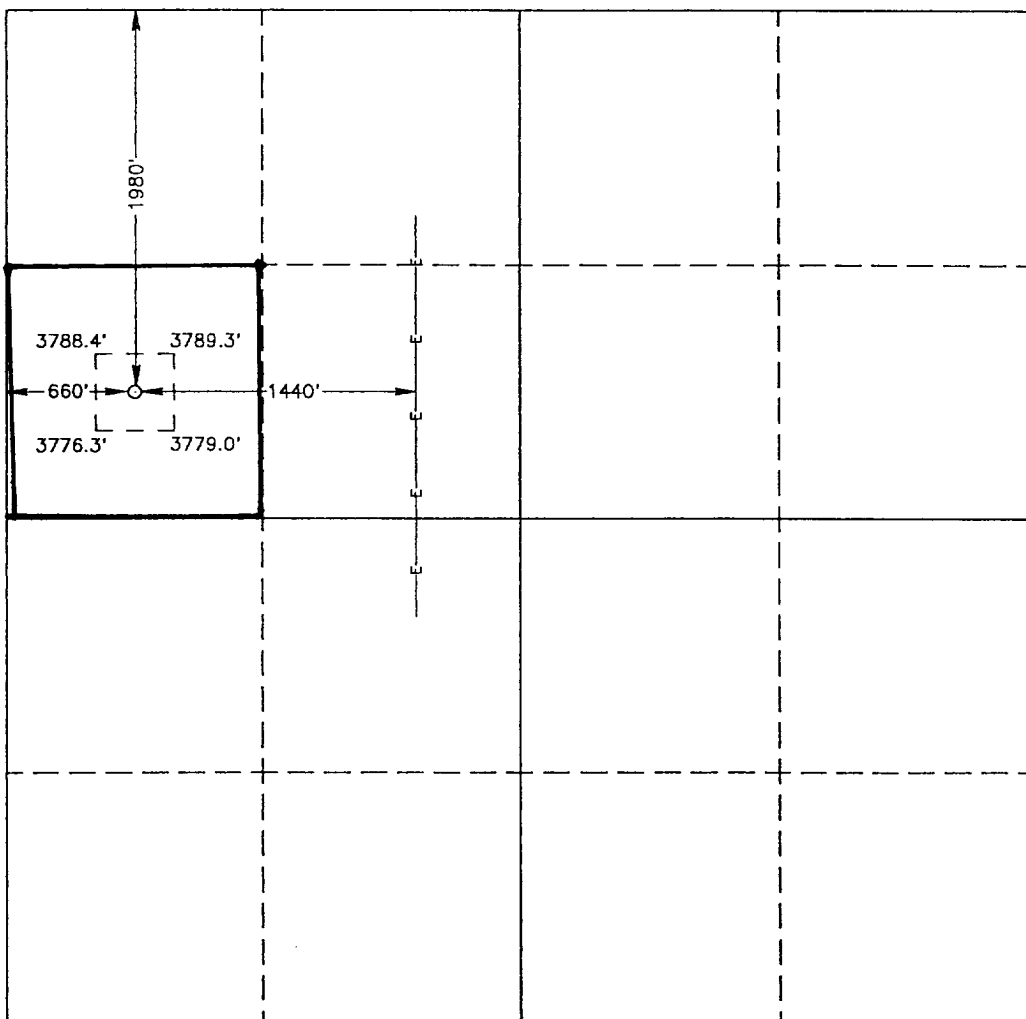
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	18 S	32 E		1980	NORTH	660	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<u>40</u>			

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Bob Williams</u> Signature</p> <p><u>BOB WILLIAMS</u> Printed Name</p> <p><u>DRUG SUPT</u> Title</p> <p><u>2-16-98</u> Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>FEBRUARY 10, 1998</p> <p>Date Surveyed _____ JLP</p> <p>Signature &amp; Seal of Professional Surveyor _____</p> <p><u>Ronald J. Eidson</u> 3239 P.O. Num 98-14-0226</p> <p>Certificate No. <u>RONALD J. EIDSON, 3239</u> <u>GARY G. EIDSON, 12941</u> <u>MACON McDONALD, 12185</u></p>
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Application  
Harvey E. Yates Company  
Ursa Major 8 Federal #1  
Section 8, T18S, R32E  
Lea County, New Mexico

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

1. Geologic Name of Surface Formation:  
Quaternary alluvium and bolson deposits
2. Estimated Tops of Significant Geologic Markers:  
Rustler 1050', Yates 2520', Seven Rivers 2980', Bowers 3460', Queen 3720', Penrose 3970', BFSA 4690, Delaware Sand, 4970', Bone Spring 6386', TD 11,000.
3. Estimated Depths at which Water, Oil, or Gas Formations are expected:  
Water: Triassic Red Bed (Santa Rosa) @ approx. 220'.  
Oil: Bone Spring @ 6386'.  
Gas: Bone Spring @ 6386'.
4. Proposed Casing Program:  
See Form 3160-3.
5. Pressure Control Equipment:  
BOP & Annular. See EXHIBIT C. Although the rig equipment is rated 3M rated, this well will be rated 2M.
6. Drilling Fluid Program:  
See Form 3160-3
7. Auxiliary Equipment:  
None
8. Testing, Logging, & Coring Program:  
Rotary sidewall cores will be taken, and one DST is planned in the Wolfcamp. The planned logs are DLL-Micro w/GR & Caliper, and CN-Den w/GR & Caliper.
9. Abnormal Conditions, Pressures, Temperatures, or Potential Hazards:  
No abnormal conditions are anticipated in this well bore.  
BHST-140 deg F  
BHP-2500 psi.  
No Hydrogen Sulfide or other hazardous gasses or fluids were encountered in any of the offset wells that Harvey E. Yates Company has drilled in this area. Therefore, no contingency plan is submitted. See EXHIBIT E.
10. Anticipated Starting Date & Duration of Operation:  
Spud Date: On or about June 16, 1998. Duration of this project will be approximately 32 days from start of construction of drilling pad until finish of completion operations.

**Surface Use Plan**  
Harvey E. Yates Company  
Ursa Major 8 Federal #1  
Section 8, T18S, R32E  
Lea County, New Mexico

**1. Existing Roads:**

Exhibit A is a portion of a New Mexico map showing the location of the proposed location. The location is approximately 38 miles east of Artesia, NM or about 6 miles south of Maljamar, NM. Leave Artesia on U.S. 82 & travel east to the junction of NM 529. Go southeast 7 miles to the junction of NM 126. Go south for 2.6 miles on NM 126. Turn West on caliche road. Go .6 miles & turn North thru cattle guard. Go .4 miles & turn West behind tank battery. Go .2 miles & turn North into location.

**2. Planned Access Roads:**

Approximately 25' of new road will be built to access location. This road will run from North to South from an existing road.

**3. Location of Existing Wells:**

See EXHIBIT B

**4. Location of Tank Batteries, Electric Lines, Etc:**

In the event a producing well is drilled, a tank battery will be built on the location. See EXHIBIT B

**5. Location and Type of Water Supply:**

Water will be obtained from commercial sources.

**6. Source of Construction Material:**

We will use materials from the primary and auxillary reserve pits to build the location.

**7. Methods of Handling Waste Disposal:**

Waste will be handled in an approved manner. The wellsite will be cleaned of all waste within 30 days of final 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. The pad and pit area have been staked.

**10. Plan for Restoration of the Surface:**

a. After drilling and completion operations are completed, all equipment and other materials not needed for further operations will be removed. Pits will be back filled and the location cleaned of all trash 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 mineral owner is the Federal Government. The grazing Lessee is Virgil Linam Estate.
- b. The topography consists of sandy soil with native grasses. No wildlife was observed, but the usual inhabitants of this region are Jackrabbits, Reptiles, Coyotes, etc.
- c. There are no ponds, lakes, or rivers in this area.
- d. An Archaeological Survey has been made and a copy has been sent to the Roswell BLM office. There is no evidence of any significant archaeological, historical, or cultural sites in the area. Further, there are no occupied dwellings or windmills in the area.
- e. Should any incidental oil be recovered during testing of this well, this oil will be considered waste oil and not sellable due to contamination by drilling and/or completion fluids.

**12. Operator's Representative:**

The field representative for assuring compliance with the approved surface use and operation plan is:

Bob Williams  
Harvey E. Yates Company  
P.O. Box 1933  
Roswell, NM  
505-623-6601

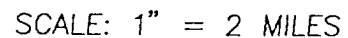
February 16, 1998

*Bob Williams*

Bob Williams  
Drilling Superintendent



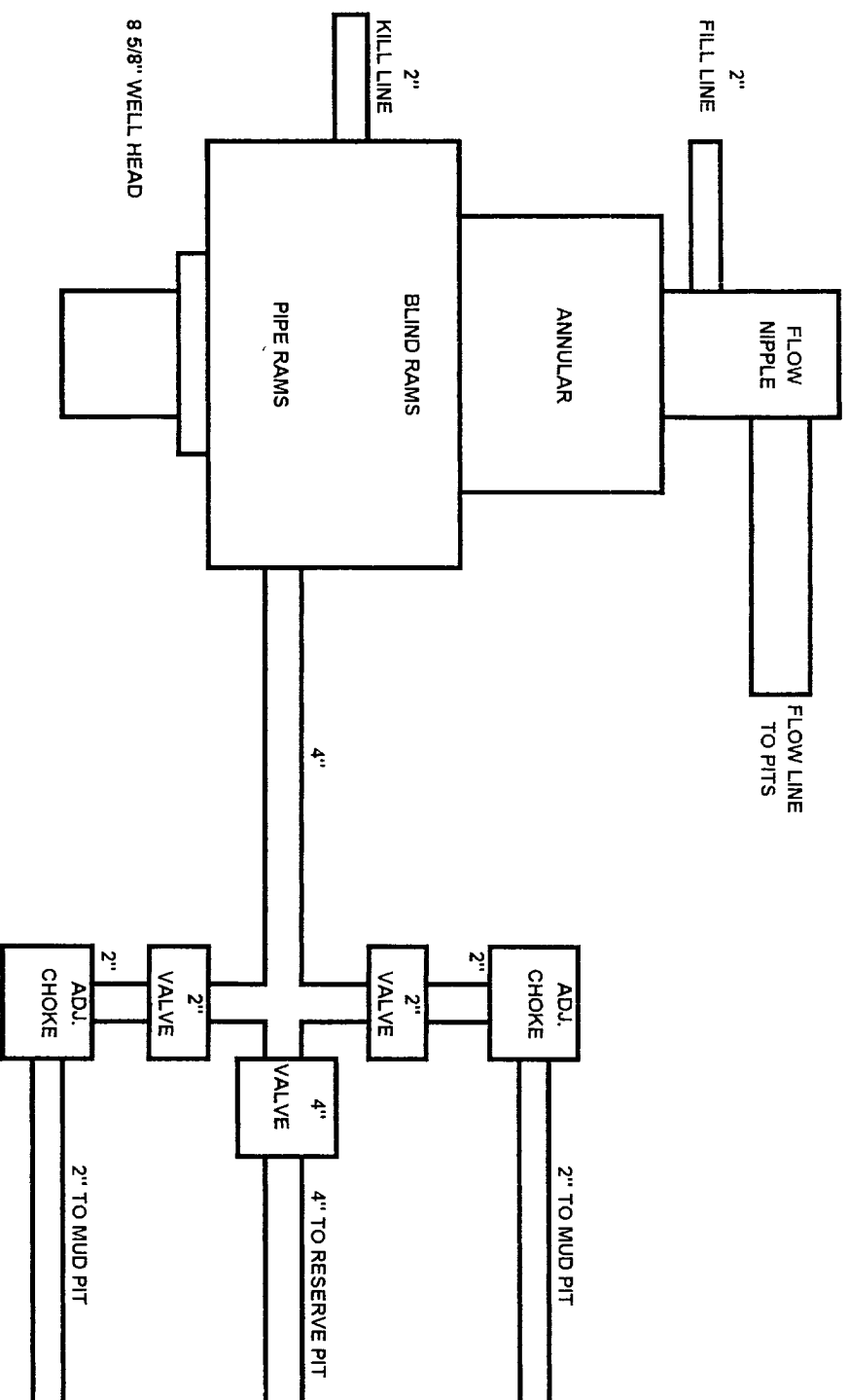
EXHIBIT "B"



LEASE URSAY MAJOR "8" FED.

(505) 393-3117

EXHIBIT C BOP STACK  
900 SERIES  
RATED @ 3,000 PSI





URSA MAJOR 8 FEDERAL #1  
1980' FNL & 680' FWL  
SEC-8, T-18S, R-32E  
LEA CO. NM

Site plan of the 10th Cavalry, 1st Squadron, 1965. The plan shows a rectangular compound with various buildings and structures. The dimensions of the compound are 180' by 270'. The buildings and structures are labeled as follows:

- DOUBLE HORSE SHOE RESERVE PIT (120' X 120')
- AUX RESERVE PIT (100' X 26')
- MIL HOUSE
- STEEL PITS
- SUBSTRUCTURE (O)
- MUD PUMP
- MUD HOUSE
- WATER TANK
- GEN. HOUSE
- CREW HOUSE
- BUNK HOUSE
- CAT WALK
- NEW ROAD (25' wide)

The plan also indicates the orientation with WEST and EAST arrows, and the SOUTH direction. A scale bar shows 25' and 270'.

POWER LINE TO FOLLOW  
EXISTING ROAD.

ABOVE DATE DOES NOT  
INDICATE WHEN  
CONFIDENTIAL LOGS  
WILL BE RELEASED

ELF 10/10/00

CONFIDENTIAL