

Harvey E. Yates Company

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

N. M. OIL CONC. COMMISSION

P. O. BOX 1920

HOBBS, NEW MEXICO 88240

5. LEASE DESIGNATION AND SERIAL NO.

NM22642

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

## 1a. TYPE OF WORK

DRILL

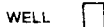


DEEPEN

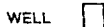


## b. TYPE OF WELL

OIL

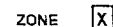


GAS

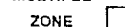


OTHER

SINGLE



MULTIPLE



## 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

AT SURFACE

1,980' FSL &amp; 660' FEL

AT PROPOSED PROD. ZONE

SAME *1st (I)*

BLM GRID NO. 10179

PROPERTY NO. 12993

SECTION 87820

DATE 12-15-98

APPROX 30-025-34551

## 9. API WELL NO.

30-025-34551

## 10. FIELD AND POOL, OR WILDCAT

WILDCAT *Young/Morrow*11. SEC., T., R., M., OR BLK  
AND SURVEY OR AREA

SEC 10, T18S, R32E

## 12. COUNTY OR PARISH

LEA COUNTY

## 13. STATE

NM

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

APPROXIMATELY 12 MILES SOUTH OF MALJAMAR, NM

## 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

80

## 17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

## 18. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

3,000'

## 19. PROPOSED DEPTH

12,950

## 20. ROTARY OR CABLE TOOLS

ROTARY

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

3982 GL

## APPROX. DATE WORK WILL START

15-Nov-98

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

**CAPITAN 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	WITNESS 10" C" w/ 2% CACL & 1/4# FLOSEAL
12 1/4"	8 5/8" J-55	32# ST&C 8RD	3,100	200 SX "C" w/ 2% CACL & 1/4# FLOSEAL 1200 SX FILLER *
7 7/8"	5 1/2" J-55, N-80, S95	17/20# LT&C 8RD	12,950	1100 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# FLOSEAL

\*\* 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; .2% SODIUM METASILICATE PER SACK

## PROPOSED MUD PROGRAM

0-400	FRESH WATER w/ PAPER & SHALE GUARD. MW-9.0 VIS-31
400-3,100	BRINE WATER w/ PAPER & SHALE GUARD. MW-10.0 VIS-31
3,100-9,500	FRESH WATER w/ PAPER, SHALE GUARD, & AMMONIA NITRATE. 18-20,000 CHLORIDES MW-9.2-9.8 VIS-33
9,500-12,800	MUD UP WITH FLOZAN, 80,000 CHLORIDES MW-9.2-9.8 VIS-33

MUD PROGRAM SUBJECT TO CHANGE DUE TO HOLE CONDITIONS

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

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 Superintendent

DATE

10-7-98

(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:

Assistant Field Office Manager.

Acting

Lands and Minerals

APPROVED BY

(ORIG SGD.) ARMANDO A. LOPEZ

TITLE

DATE

NOV 19 1998

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

*MP*



**Application**  
Harvey E. Yates Company  
Young Deep Unit 39  
Section 10, 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 1225', Yates 2785', Seven Rivers 3200', Bowers 3650', Queen 3925', Penrose 4175', BFSA 4975, Delaware Sand, 5260', Bone Spring 6500', Wolfcamp 9690, Penn Shale 10880, Strawn 11550 Atoka 11850 Morrow 12240, Barnett 12,850 TD 12,950.
3. **Estimated Depths at which Water, Oil, or Gas Formations are expected:**  
Water: Triassic Red Bed (Santa Rosa) @ approx. 220'.  
Oil: Bone Spring @ 6,500'.  
Gas: Bone Spring @ 6,500'.
4. **Proposed Casing Program:**  
See Form 3160-3.
5. **Pressure Control Equipment:**  
BOP & Annular. See EXHIBIT C. Although the rig equipment is rated 5M rated, this well will be rated 2M.
6. **Drilling Fluid Program:**  
See Form 3160-3
7. **Auxiliary Equipment:**  
None
8. **Testing, Logging, & Coring Program:**  
No Cores or DSTs are anticipated. 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 November 15, 1998. Duration of this project will be approximately 45 days from start of construction of drilling pad until finish of completion operations.



**Surface Use Plan**  
Harvey E. Yates Company  
Young Deep Unit 39  
Section 10, 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 11 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 1.6 miles on NM 126. Turn east on caliche road. Go .9 miles to five way intersection. Turn left and go 1.6 miles on main traveled road. Turn left into location.

**2. Planned Access Roads:**

A minimum of new road will be built as the location abuts an existing East/West 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, production facilities will be constructed on this 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 auxiliary 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. Surface and mineral owner is the Federal Government.



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

October 7, 1998

*Bob Williams*

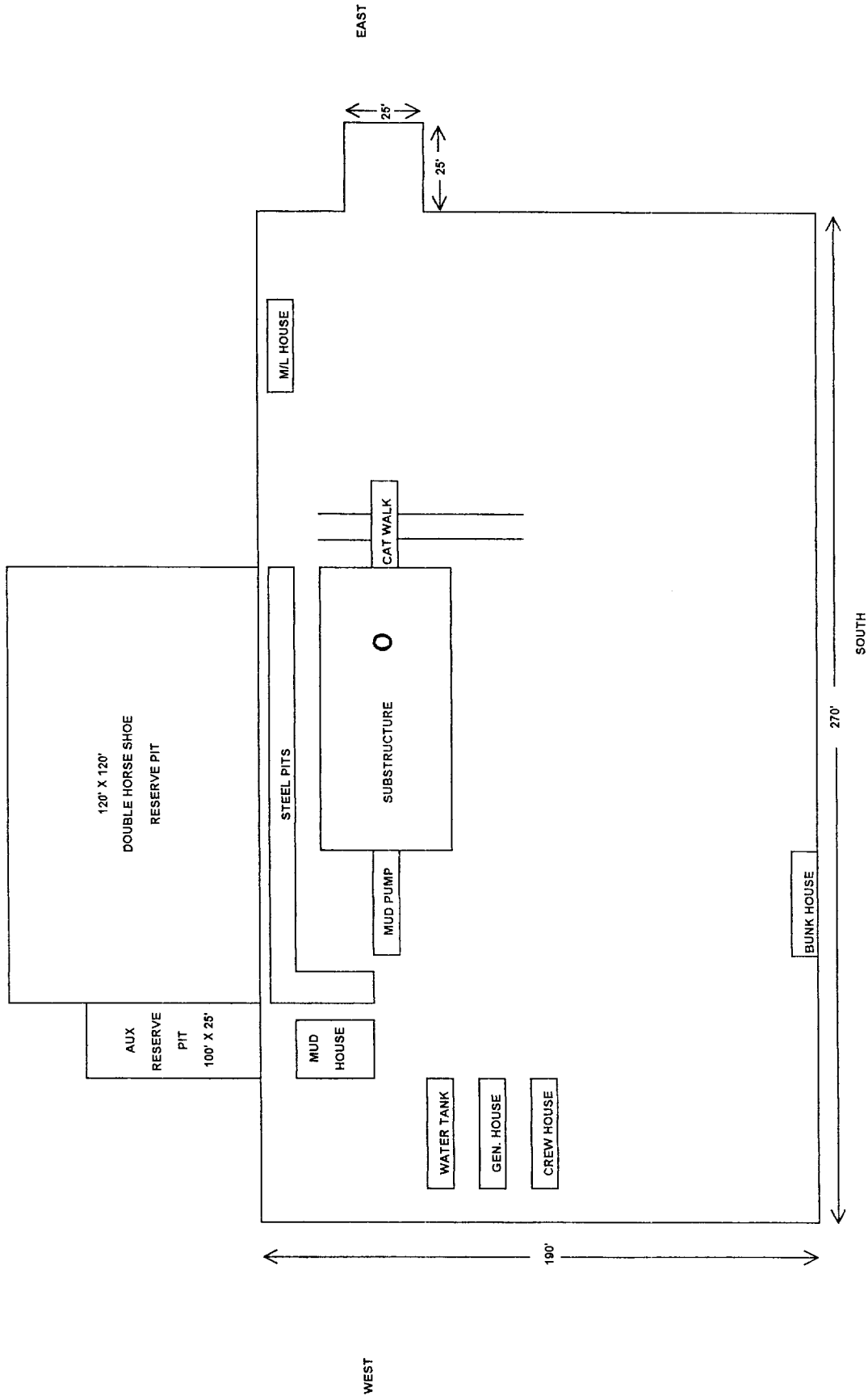
Bob Williams  
Drilling Superintendent



EXHIBIT D

YOUNG DEEP UNIT 39  
1980' FSL & 600' FEL  
SEC-10, T-18S, R-32E  
LEA CO. NM

NORTH



595' NEW ELECTRIC LINE  
TO EXISTING LINE



EXHIBIT C BOP STACK

YOUNG DEEP UNIT 39  
1980' FSL & 660' FEL  
SEC 10, T18S, R32E  
EDDY COUNTY, NM

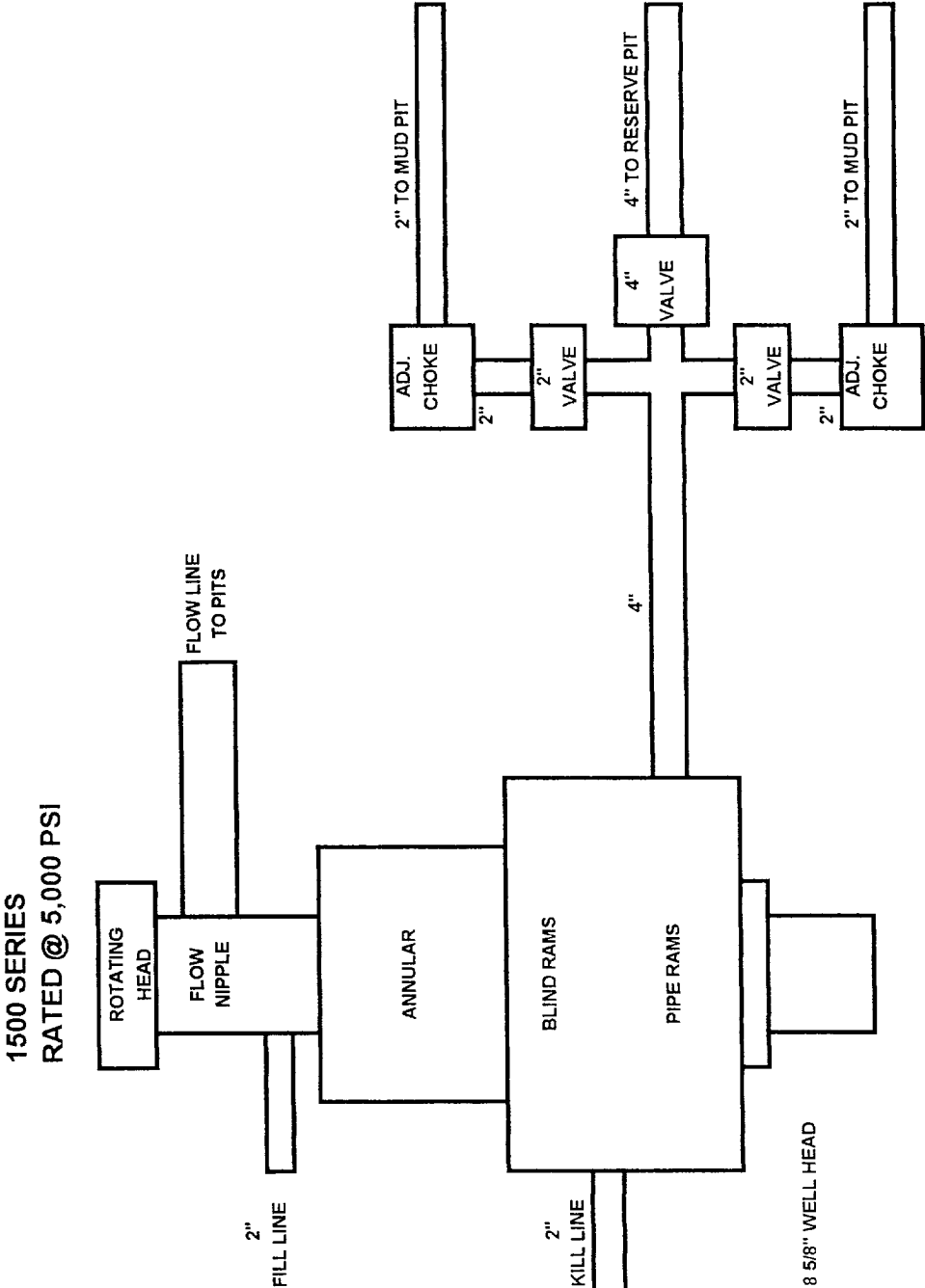




EXHIBIT "E"

Harvey E. Yates Company  
Young Deep Unit #39  
Sec. 10, T18S, R32E  
Lea County, New Mexico

11-3-95 at 1205 PM

Bob Williams & A. Andy Cortez BLM  
Tested with a Servosdyme pump the Young Deep  
#1 central battery & #11 Battery (Stock Tank)

Results - Central Battery 2 PPM H<sub>2</sub>S S.T. Vapors  
- ~~#11 Battery 1 PPM H<sub>2</sub>S S.T. Vapors~~  
Wolfcamp 2 PPM Bone Springs 0.0 PPM

Central Battery wells  
#8, #2, #7, #9, #21, #10, #6, #2, #26

#11 Battery wells 7 PPM H<sub>2</sub>S Stock Tank Vapors  
#4, #11, #13, #14, #15, #16, #17, #22

Andy Cortez  
Bob Williams WITNESS



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

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

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, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <i>30-025-34551</i>	Pool Code <i>87820</i>	Pool Name <i>Young; Morrow</i>
Property Code <i>12993</i>	Property Name YOUNG DEEP UNIT	Well Number 39
OGRID No. <i>10179</i>	Operator Name HARVEY E. YATES COMPANY	Elevation 3982'

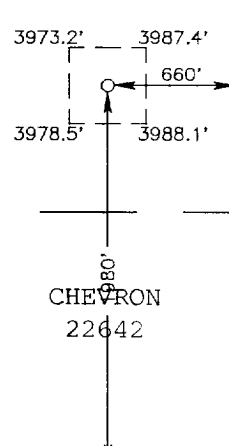
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	10	18 S	32 E		1980	SOUTH	660	EAST	LEA

Bottom Hole Location If Different From Surface

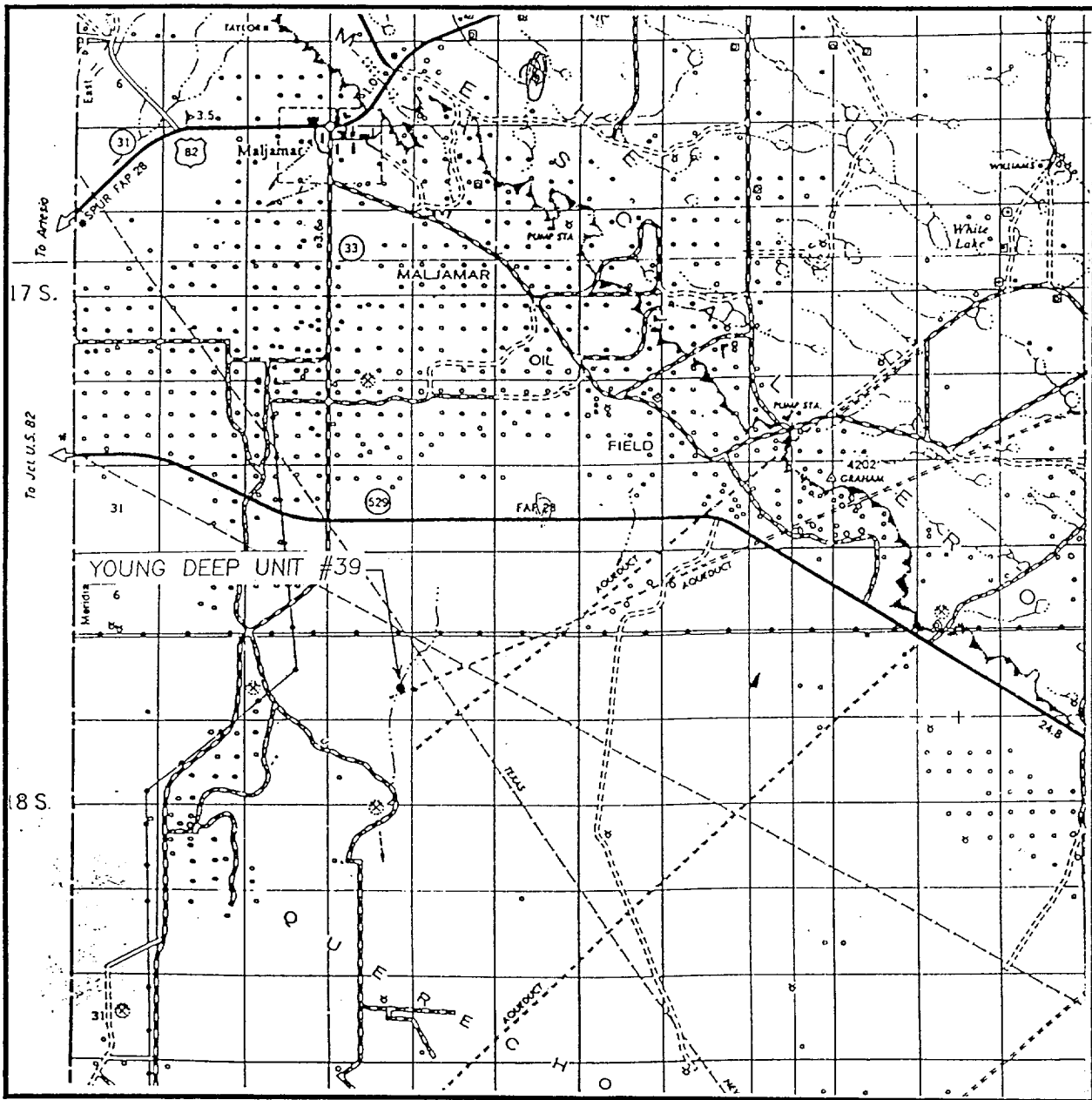
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

		H.E. YATES ET AL NM 16350 A	H.E. YATES ET AL NM 20971		<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <i>Bob Williams</i> Signature  Printed Name  Title  Date
					<b>SURVEYOR CERTIFICATION</b>  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.  OCTOBER 5, 1998  Date Surveyed CDG Signature & Seal of Professional Surveyor <i>Ronald J. Edson</i> 10-06-98 98-11-1325 Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641



# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 660' FEL

ELEVATION 3982'

OPERATOR HARVEY E. YATES COMPANY

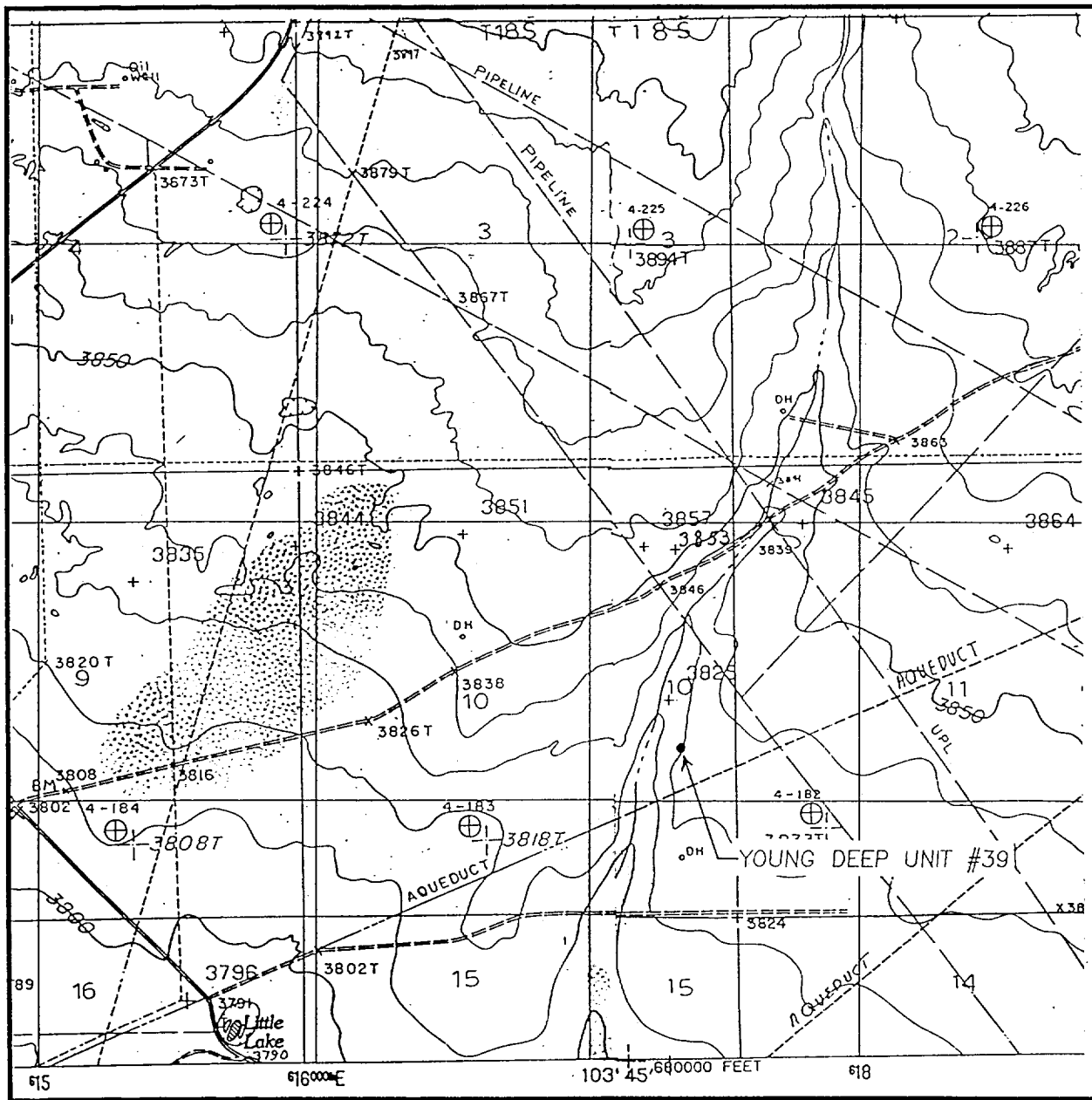
LEASE YOUNG DEEP UNIT

**JOHN WEST ENGINEERING  
HOBBS, NEW MEXICO**

**(505) 393-3117**



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'  
SUPPLEMENTAL - 5'

SEC. 10 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 660' FEL

ELEVATION 3982'

OPERATOR HARVEY E. YATES COMPANY

LEASE YOUNG DEEP UNIT

U.S.G.S. TOPOGRAPHIC MAP

MALJAMAR, DOG LAKE, NM

**JOHN WEST ENGINEERING  
HOBBS, NEW MEXICO**

**(505) 393-3117**