

New Mexico OPER. LAND NO 10179
12993
MOULDER
8/17/00
30-025-35140

Form 3160-3 (July 1992)
Harvey E. Yates Company

UNITED STATES
DEPARTMENT OF THE
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMLC-064638
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR HARVEY E. YATES COMPANY		7. UNIT AGREEMENT NAME YOUNG DEEP UNIT
3. ADDRESS AND TELEPHONE NO. P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601		8. FARM OR LEASE NAME, WELL NO. 44
4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 1,850' FSL & 2,310' FEL AT PROPOSED PROD. ZONE SAME		9. API WELL NO. 30-025-35140
		10. FIELD AND POOL, OR WILDCAT WILDCAT Strawn
		11. SEC., T., R., M., OR BLK AND SURVEY OR AREA SEC 4, T18S, R32E
		12. COUNTY OR PARISH LEA
		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) 1,850'	16. NO. OF ACRES IN LEASE 40	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. NONE	19. PROPOSED DEPTH 11,900'	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,857'		APPROX. DATE WORK WILL START 1-Jul-00

23. PROPOSED CASING AND CEMENTING PROGRAM

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' - 1210'	425 SX "C" w/ 2% CACL & 1/4# FLOSEAL
12 1/4"	32# ST&C 8RD	32# ST&C 8RD	3,100'	350 SX "C" w/ 2% CACL & 1/4# CELLOSEAL. 1000 SX FILLER
7 7/8"	5 1/2" J-55, N-80, S-95 (SEE EXHIBIT "E")	17# LT&C 8RD	11,900'	1ST STAGE 400 SX, 2ND STAGE 1100 SX "

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, & 1/4# FLOSEAL

** 1ST STAGE 400 SX 15:61:11 W/1% FL-52, .4% CD-32, 8# GILSONITE

2ND STAGE 1100 SX 35:65 POZ H W/6% BENTONITE, 5# SALT, .4% FL-52. TAIL IN W/100SX H NEAT

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
400-3,100'	BRINE WATER w/ PAPER & SHALE GUARD. MW-10.0 VIS-31
3,100-9,000'	FRESH WATER w/ PAPER, SHALE GUARD, & AMMONIA NITRATE. 60-70,000 CHLORIDES. MW-8.6 VIS-29
9,000'-11,900'	MUD UP WITH BARAZAN, 60-70,000 CHLORIDES MW-9.6-10.0 VIS-40

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 Superintendent DATE 6/1/00

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

PERMIT NO. ORIGINAL SIGNED COPY OF 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 /S/LARRY D. BRAY Assistant Field Manager, Lands And Minerals DATE AUG 15 2000

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

APPROVED FOR 1 YEAR

RECEIVED
JUN 01 2000
BLM
ROSWEIL, NM

Received
JUN 01 2000
BLM

Application
Harvey E. Yates Company
Young Deep Unit #44
Section 4, 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 1,150', Yates 2,600', Seven Rivers 3,060', Bowers 3,525', Queen 3,765', Penrose 4,000', Grayburg 4,255', Premier 4,695', San Andres 4,750', Delaware 5,000', Bone Springs 5,890', BSPG 1st Sand 7,700', BSPG "B" Zone 7,925', BSPG 2nd Sand 8,350', BSPG "C" Zone 8,830', BSPG 3rd Sand 8,925', Wolfcamp 9,100', Penn. Shale 10,725', Strawn 11,450', Atoka 11,850'.
3. **Estimated Depths at which Water, Oil, or Gas Formations are expected:**
Oil: Bone Spring 1st sand @ 7,700
Gas: Bone Spring 1st sand @ 7,700
4. **Proposed Casing Program:**
See Form 3160-3
5. **Pressure Control Equipment:**
BOP & Annular. See Exhibit C.
6. **Drilling Fluid Program:**
See Form 3160-3
7. **Auxiliary Equipment:**
Rotating Head
8. **Testing, Logging, & Coring Program:**
Rotary sidewall cores will be taken, and two DSTs are planned for the Wolfcamp, or Atoka. The planned logs are Schlumberger Platform Express w/HALS, and BHC sonic.
9. **Abnormal Conditions, Pressures, Temperature, or Potential Hazards:**
No abnormal conditions are anticipated in this well bore.
BHST 170 deg F
BHP 2,000 psi
10. **Anticipated Starting Date & Duration of Operation:**
Spud Date: Approximately July 1, 2000. Duration of this project will be approximately 50 days from start of Construction of drilling pad until finish of completion operations

Surface Use Plan
Harvey E. Yates Company
Young Deep Unit #44
Section 4, 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 12 miles South of Maljamar, NM. Leave Artesia on U.S. 82 & travel 31 miles east to the junction of NM 529. Turn Southeast and go 7 miles. Turn right & go 1.75 miles & turn left. Go .1 miles & turn left. Go .5 miles & turn left. Go .2 mile to location.

2. Planned Access Roads:

1,100' of new road will be built to access this well.

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.

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 Williams & Sons Cattle Co. and they have been contacted regarding operations.
- 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:

I certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; that the work associated with operations proposed herein will be performed by Harvey E. Yates Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

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

June 1, 2000



Bob Williams
Drilling Superintendent

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Roswell Resource Area
P.O. Drawer 1857
Roswell, New Mexico 88202-1857

Statement Accepting Responsibilities for Operations

Operator Name: Harvey E. Yates Company
Street or Box: P.O. Box 1933
City, State: Roswell, New Mexico
Zip Code: 88202

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No.: NMLC-064638

Lease Name: Young Deep Unit #44

Legal description of land: Sec 4, T18S, R32E, Lea County, New Mexico

Formation(s) (if applicable): Bone Springs

Bond Coverage: (State if individually bonded or another's bond): Blanket Bond

BLM Bond File No.:

Authorized Signature: Bob Williams

Title: Drilling Superintendent

Date: June 1, 2000

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

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

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 30-025-35140	Pool Code ✓	Pool Name Wildcat Strawn
Property Code 12993	Property Name YOUNG DEEP UNIT	Well Number 44
OGRID No. 10179	Operator Name HARVEY E. YATES COMPANY	Elevation 3857

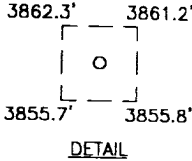
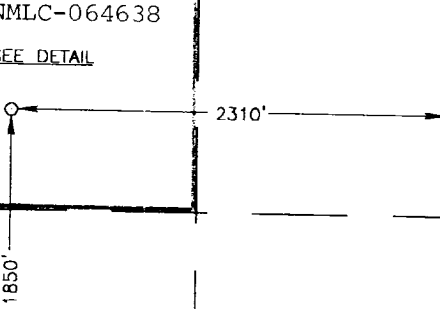
Surface Location

UL or lot No. J	Section 4	Township 18 S	Range 32 E	Lot Idn	Feet from the 1850	North/South line SOUTH	Feet from the 2310	East/West line EAST	County LEA
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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 40	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

LOT 4 40.18 ACRES	LOT 3 40.29 ACRES	LOT 2 40.41 ACRES	LOT 1 40.52 ACRES
			
DETAIL		NMLC-064638 SEE DETAIL	

OPERATOR CERTIFICATION

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

Bob Williams
Signature

Bob Williams
Printed Name

Drilling Superintendent
Title

June 01, 2000
Date

SURVEYOR CERTIFICATION

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.

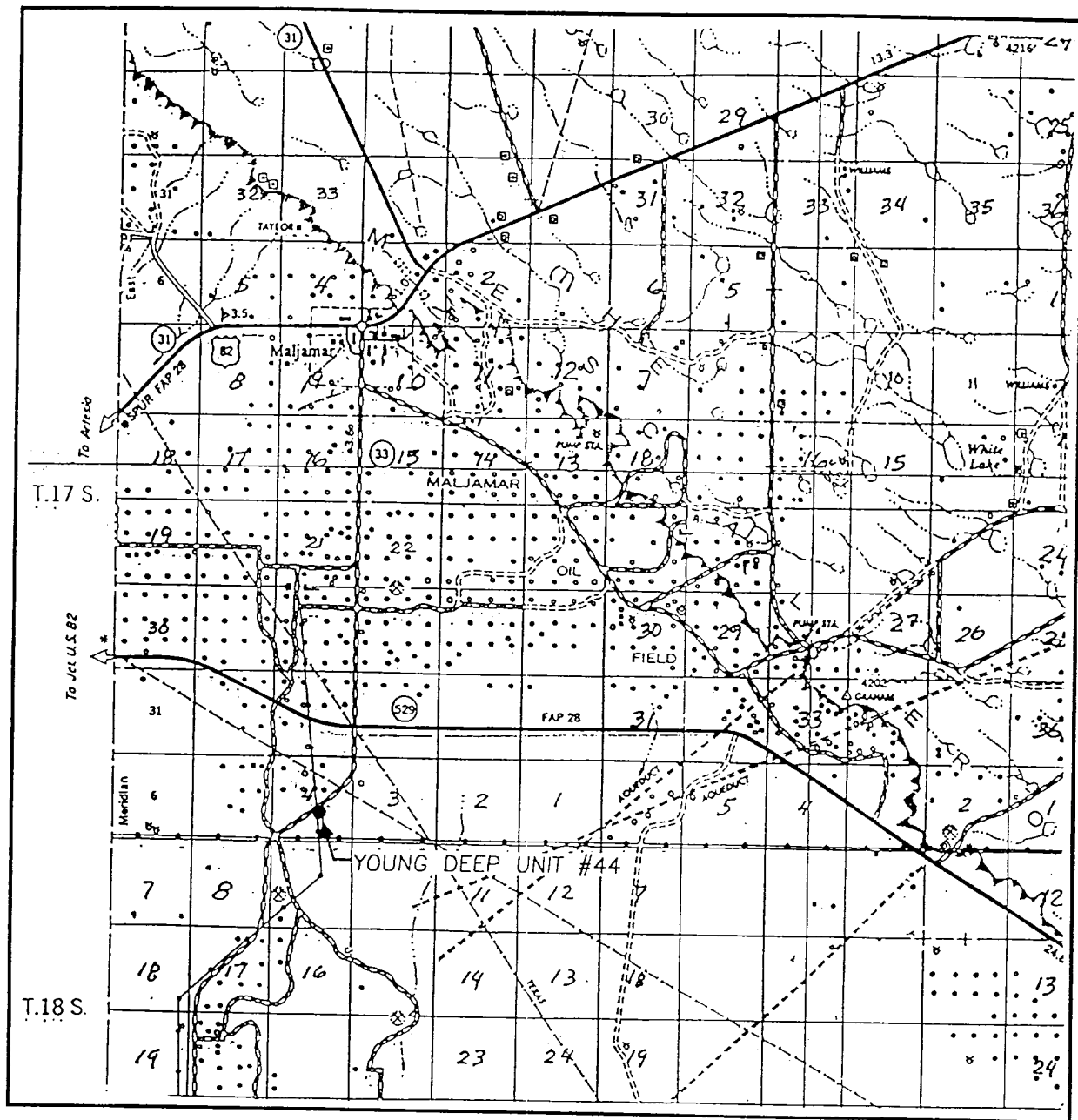
MAY 25, 2000
Date Surveyed

LMP
Signature & Seal of Professional Surveyor

Ronald J. Eidson 5/26/00
90-11-0677

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641
MACON McDONALD 12185

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 4 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1850' FSL & 2310' FEL

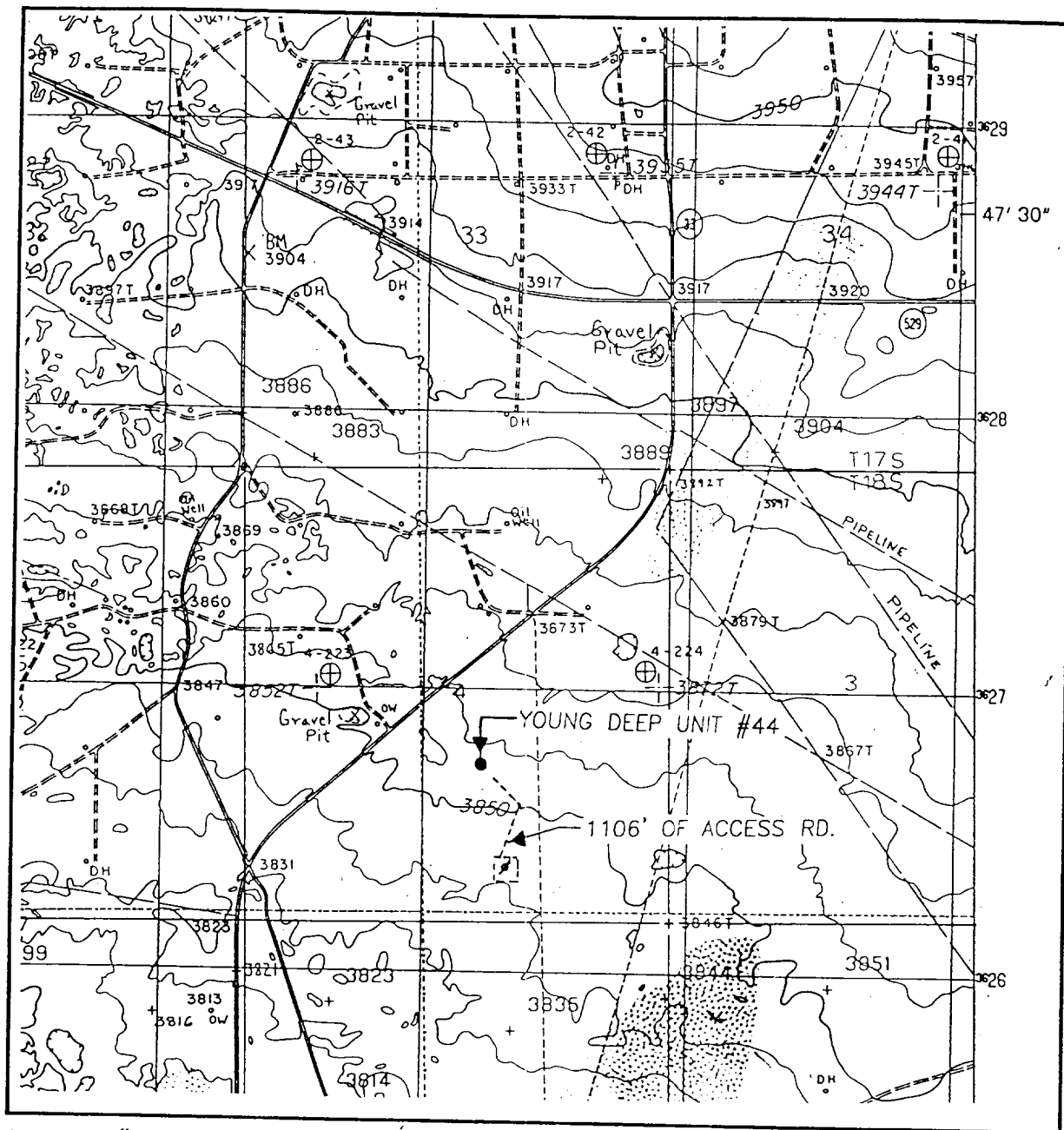
ELEVATION 3857

OPERATOR HARVEY E. YATES COMPANY

LEASE YOUNG DEEP UNIT

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MALJAMAR, N.M. - 10'

SEC. 4 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1850' FSL & 2310' FEL

ELEVATION 3857

OPERATOR HARVEY E. YATES COMPANY

LEASE YOUNG DEEP UNIT

U.S.G.S. TOPOGRAPHIC MAP
MALJAMAR, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

EXHIBIT "C" BOP STACK
Young Deep Unit #44
1,850' FSL & 2,310' FEL
Sec 4, T18S, R32E
Lea County, NM

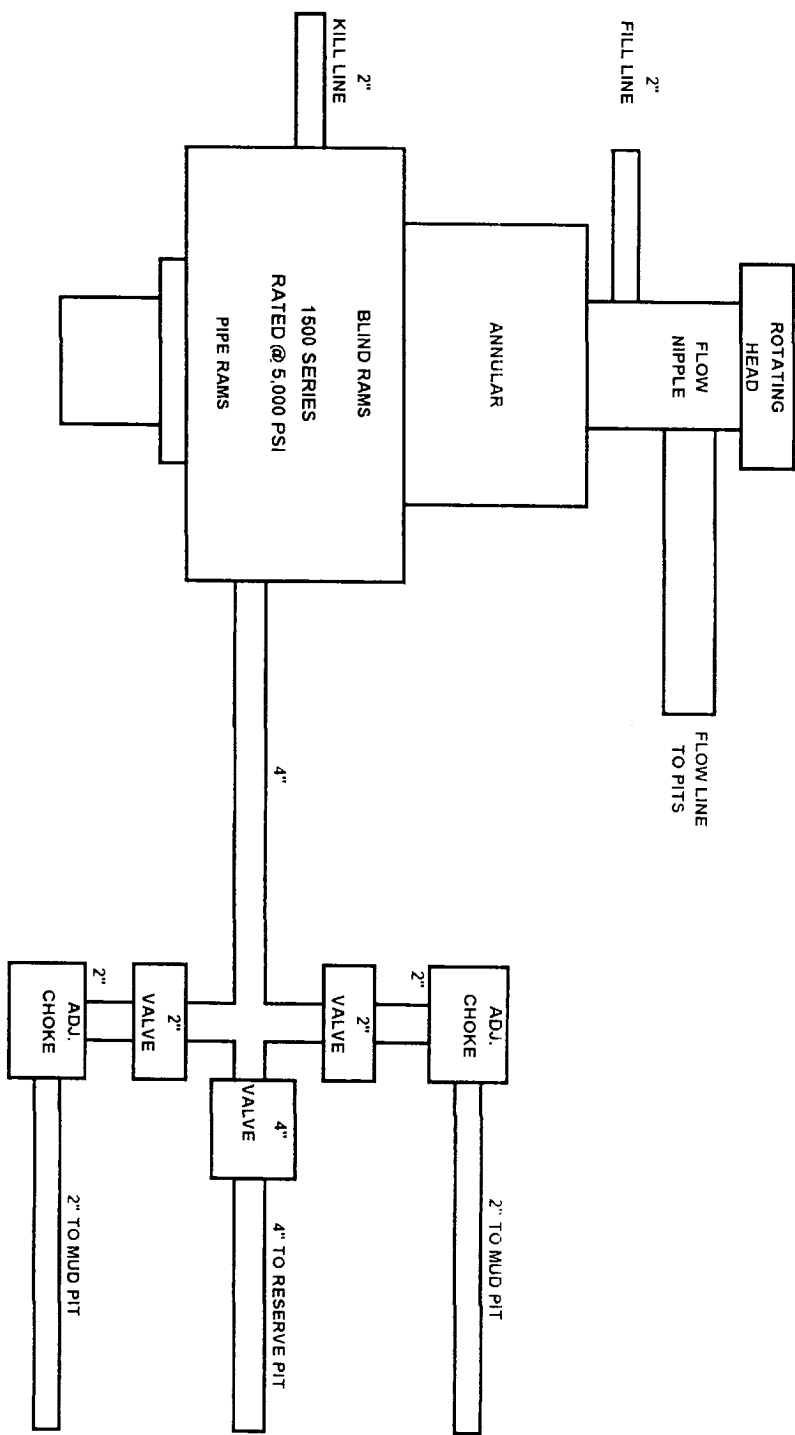
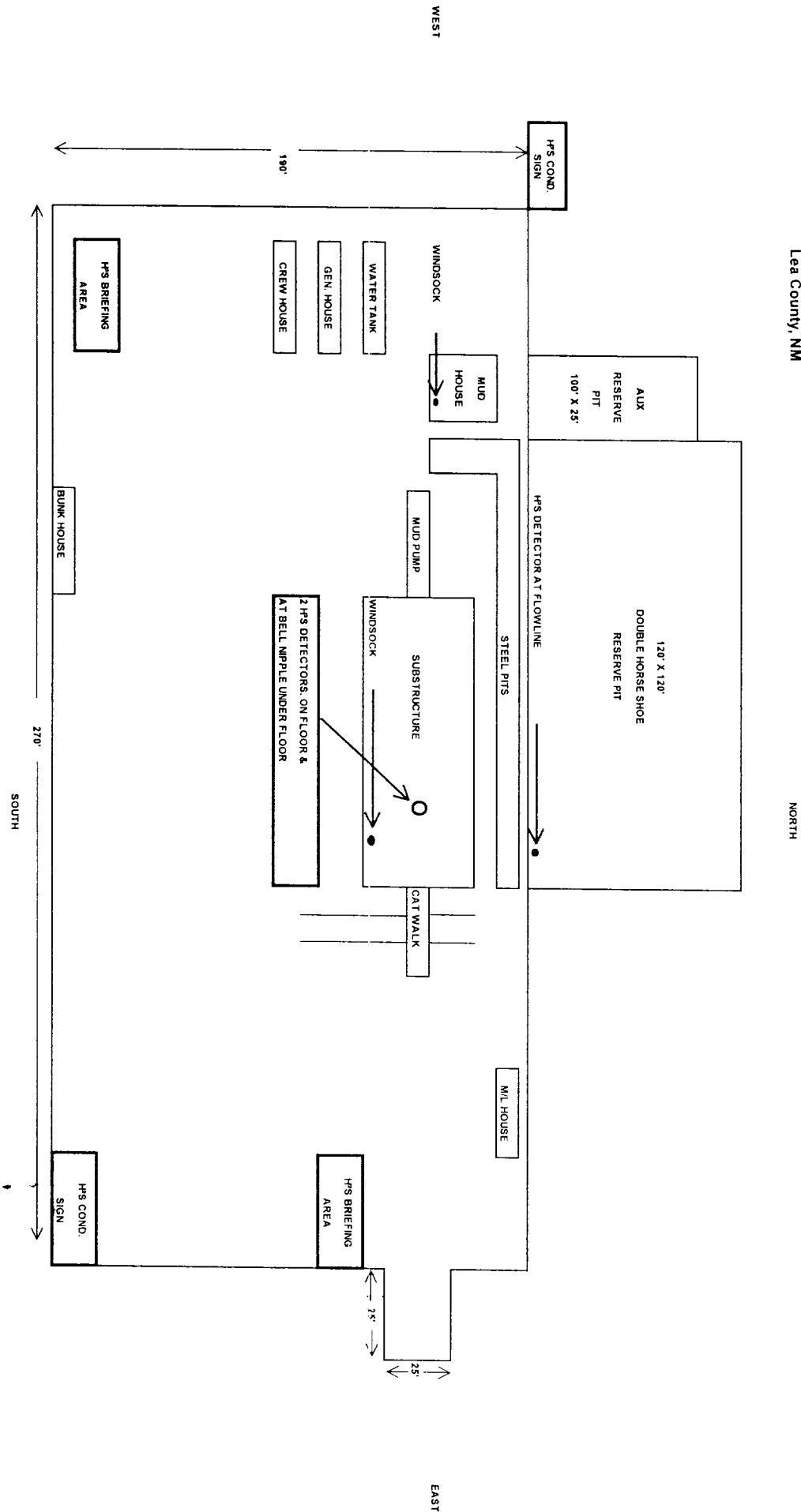


EXHIBIT D

Young Deep Unit #44
1,850' FSL & 2,310' FEL
Sec 4, T18S, R32E
Lea County, NM



Casing Design

Young Deep Unit #44
1,850' FSL & 2,310' FEL
Sec 4, T18S, R32E
Lea County, NM

Exhibit "E"

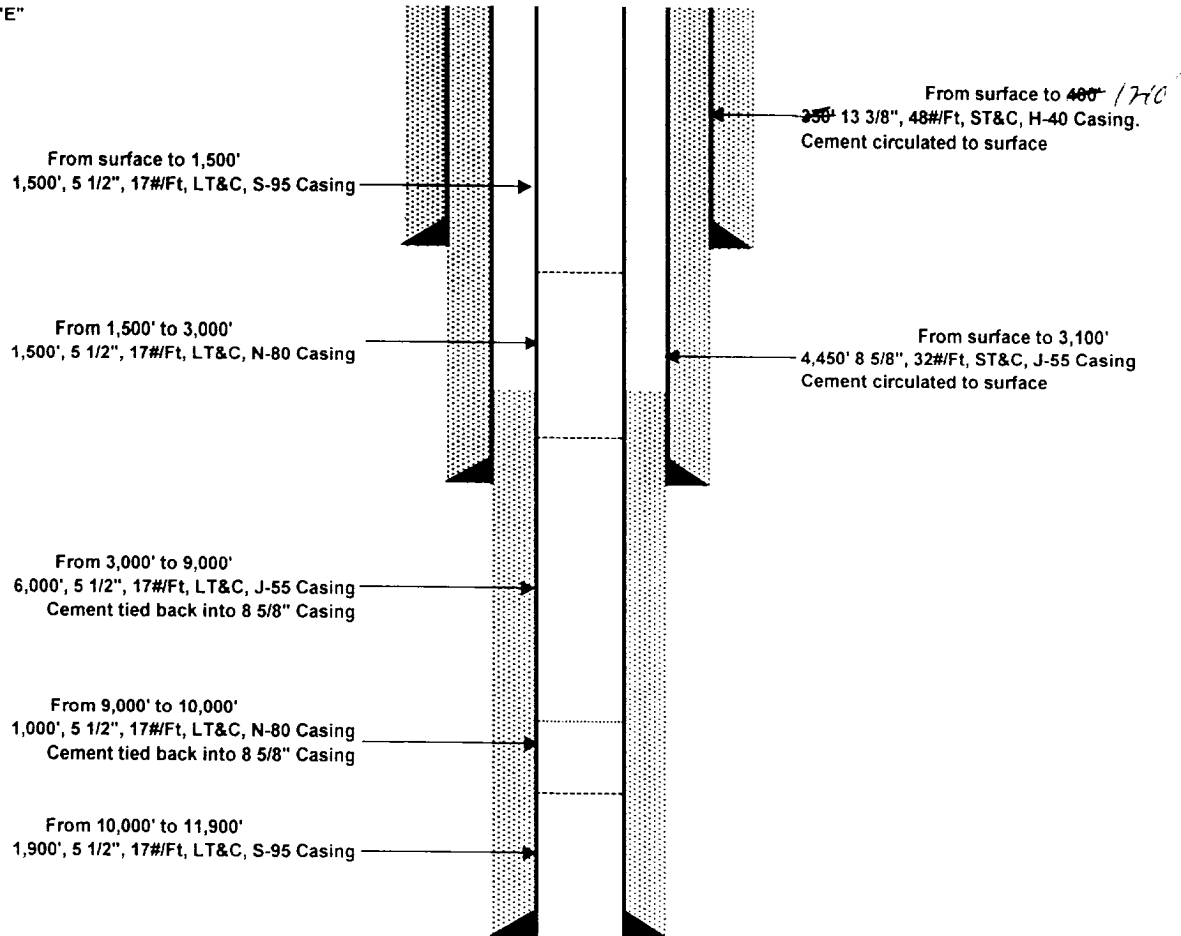


EXHIBIT "F"

Harvey E. Yates Company
Young Deep Unit #44
Sec 4, T18S, R32E
1850' FSL & 2310' FEL
Lea County, New Mexico

11-3-95 at 1205 PM

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

Results - Central Battery 2 PPM H₂S S.T. VAPORS
- ~~#11 Battery 7 PPM H₂S 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 H₂S Stock Tank VAPORS
#4, #11, #13, #14, #15, #16, #17, #22

Andy Cortez
Bob Williams WITNESS