

OPER. LOG NO. 10179
PROPERTY NO. 26127
POOL CODE 65350
EFF. DATE 4/27/01
API NO. 30-025-35535

UNITED STATES
DEPARTMENT OF THE INTERIOR
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. NMNM-40448
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 BOLA 7 FED
3. ADDRESS AND TELEPHONE NO. P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601		8. FARM OR LEASE NAME, WELL NO. 3
4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 1,650' FNL & 330' FEL AT PROPOSED PROD. ZONE SAME <u>Unit H</u>		9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 20 MILES SW OF MALJAMAR, NM		10. FIELD AND POOL, OR WILDCAT YOUNG BONE SPRINGS NORTH
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any) 330'		11. SEC., T., R., M., OR BLK AND SURVEY OR AREA SEC 7, T18S, R32E
16. NO. OF ACRES IN LEASE 240		12. COUNTY OR PARISH LEA
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,320'		
19. PROPOSED DEPTH 9,725'		
20. ROTARY OR CABLE TOOLS ROTARY		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3783		APPROX. DATE WORK WILL START 16-Jun-01

23. PROPOSED CASING AND CEMENTING PROGRAM		
SIZE OF HOLE	GRADE, SIZE OF CASING	WT PER FT
17 1/2"	13 3/8" H-40	48#
12 1/4"	8 5/8" J-55	32#
7 7/8"	5 1/2" J-55	17#
(SEE EXHIBIT "E")		
SETTING DEPTH		
400' (See Exhibit G)		
3,100'		
9,725'		
QUANTITY OF CEMENT		
425 SX "C" W/2% CACL & 1/4# CELLOSEAL		
350 SX "C" W/2% CACL & 1/4# CELLOSEAL, 1,000 SX FILLER *		
1000 SX LEAD & 400 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, & 1/4# FLOEAL
** LEAD: 1000 SX "H" POZ w/ 2% GEL & 5# SALT PER SACK
TAIL: 400 SX "H" w/ 3% KCL, .5% FLUID LOSS, .3% DISPERSANT, 1% BONDING AGENT, .3% RETARDER, & .2% SODIUM METASILICATE PER SACK

PROPOSED MUD PROGRAM	
0-400'	FRESH WATER, PAPER, & EZ MUD. MW-9.0 VIS-31
400'-3,100'	BRINE WATER, PAPER, & EZ MUD. MW-10.0, VIS-31
3,100'-9,725'	FRESH WATER, PAPER, EZ MUD, & AMMONIA NITRATE. 30-60,000 CHLORIDES MW-9.0 VIS-31

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 <u>Bob Williams</u>	Bob Williams	TITLE <u>Drilling Superintendent</u>	DATE <u>3/5/01</u>
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(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 Joe G. Lora DATE _____

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

RECEIVED

MAR 05 2001

BLM
ROSWELL, NM