

New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

PROPERTY NO. 10179
PROPERTY NO. 28097
POOL CODE 65350
EFF. DATE 2-25-02
API NO. 30-025-35845

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

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-100590-40
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, ALLOTEE OR TRIBE NAME
2. NAME OF OPERATOR HARVEY E. YATES COMPANY		7. UNIT AGREEMENT NAME PEARSALL 6 FED
3. ADDRESS AND TELEPHONE NO. P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601		8. FARM OR LEASE NAME, WELL NO. 5
4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 990' FSL & 2,310' FWL AT PROPOSED PROD. ZONE SAME		9. API WELL NO. 30-025-35845
10. FIELD AND POOL, OR WILDCAT YOUNG BONE SPRINGS NORTH		11. SEC., T., R., M., OR BLK AND SURVEY OR AREA SEC 6, T18S, R32E
12. COUNTY OR PARISH LEA		13. STATE NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
20 MILES SW OF MALJAMAR, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990'	16. NO. OF ACRES IN LEASE 480	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. 1,000'	19. PROPOSED DEPTH 9,525'	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,804'		APPROX. DATE WORK WILL START 07/01/02
23. Capitan Controlled Water Basin 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#	400' (Alt Csg Depth)	425 SX "C" W/2% CACL & 1/4# CELLOSEAL
12 1/4"	8 5/8" J-55	32#	3,100'	350 SX "C" W/2% CACL & 1/4# CELLOSEAL, 1,000 SX FILLER *
7 7/8"	5 1/2" J-55	17#	9,525'	1000 SX LEAD & 400 SX TAIL **
(SEE EXHIBIT "E")				

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

** 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 AFTER TOP OF RUSTLER, PAPER, & EZ MUD. MW-10.0, VIS-31
3,100'-9,525'	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 Bob Williams Bob Williams TITLE Drilling Superintendent DATE 01/11/2002

(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 /S/ JOE G. LARA TITLE FIELD MANAGER DATE FEB 21 2002

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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

APPROVAL FOR 1 YEAR

KP
MP

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2002 JAN 11 PM 1:19
BUREAU OF INSURANCE
FOSMITH OFFICE
MR. JOE G. LARA