

OPER. OGRID NO. 25575PROPERTY NO. 18923POOL CODE -EFF. DATE 5/13/96API NO. 30-025-33435NOTE
8 onFORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNIT
DEPARTMENT
BUREAU OF

APPLICATION FOR PI

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

YATES PETROLEUM CORPORATION

3. ADDRESS AND TELEPHONE NO.

105 South Fourth Street, Artesia, NM 88210 (505) 748-1471

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

2310' FNL and 2310' FEL

At proposed prod. zone

Same

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

24 air miles west of Eunice, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

16. NO. OF ACRES IN LEASE

840

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.

19. PROPOSED DEPTH

9100'

20. ROTARY OR CABLE TOOLS

Rotary

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

3531 GR

22. APPROX. DATE WORK WILL START*

April 29, 1996

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	11 3/4"	42#	1810'	550 sacks circulated
11"	8 5/8"	32#	5100'	1750 sacks (tie back)
7 7/8"	5 1/2"	15.5# & 17#	TD	1050 sacks (tie back)

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 1810' of surface casing will be set and cement circulated. Approximately 5100' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW/GEL to 1810'; Brine to 5100', Cut Brine, Starch to TD.

BOPE PROGRAM: BOPE will be nipped up on the 8 5/8" casing and tested daily for operational.

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

Clifton R. May

TITLE

Regulatory Agent

DATE

4-10-96

(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

Richard A. Whitley

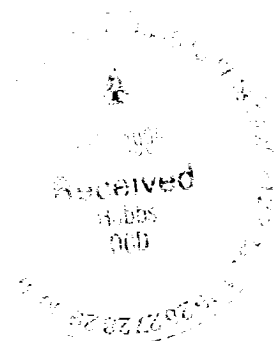
TITLE

Acting State Director

DATE

4-28-96

*See Instructions On Reverse Side



District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33435	Pool Code	Pool Name WILDCAT DELAWARE
Property Code 18923	Property Name CHERWIN "AIW" FEDERAL	Well Number 1
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3531

¹⁰ Surface Location

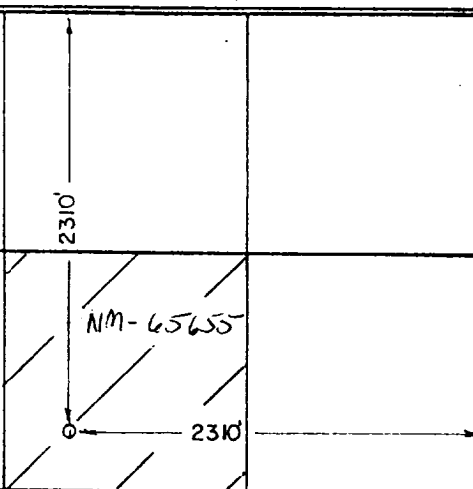
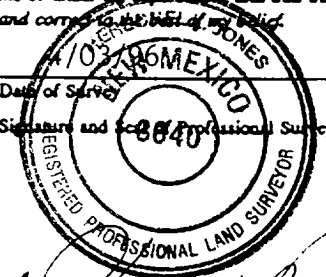
UL or lot no. G	Section 12	Township 22S	Range 33E	Lot Idn	Feet from the 2310	North/South line NORTH	Feet from the 2310	East/West line EAST	County LEA
---------------------------	----------------------	------------------------	---------------------	---------	------------------------------	----------------------------------	------------------------------	-------------------------------	----------------------

¹¹ 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

¹⁶						¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Clifton R. May Signature Clifton R. May Printed Name Regulatory Agent Title April 10, 1996 Date	
						¹⁸ 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.  Date of Survey Signature and Seal of Professional Surveyor Herschel Jones Certificate Number 3640	

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-65655
2. Name of Operator YATES PETROLEUM CORPORATION	6. If Indian, Allotment or Tribal Name
3. Address and Telephone No. 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471	7. If Unit or CA, Agreement Designation
4. Location of Well (Postage, Sec., T., R., M., or Survey Description) 2310' FNL and 2310' FEL,	8. Well Name and No. Cherwin AIW Fed. #1
	9. API Well No.
	10. Field and Pool, or Exploratory Area Wildcat Bone Spring
	11. County or Parish, State Sec. 12-T22S-R33E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input checked="" type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Reconspiration	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is discontinuously drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)
(Note: Report results of multiple completions on Well Completion or Reconspiration Report and Log form.)

Yates Petroleum Corporation wishes to change the nippleing up of the BOPE on the 8 5/8" intermediate casing to being installed on the 11 3/4" surface casing. Yates will set the surface casing in the Rustler Anhydrite above the Top of Salt. Attached is the H2O Plan.

OK

Aldem

4-24-96

14. I hereby certify that the foregoing is true and correct		
Signed <u>Christa A. May</u>	Title <u>Regulatory Agent</u>	Date <u>4-24-96</u>
(This space for Federal or State office use)		
Approved by _____	Title _____	Date _____
Conditions of approval, if any:		

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make in any department or agency of the United States any false, fictitious or fraudulent statements or representations or to any matter within its jurisdiction.

*See instruction on Reverse Side

YATES PETROLEUM CORPORATION
CHERWIN AIW FEDERAL #1
2310' FNL AND 2310' FEL
Sec. 12 T22S R33E
County LEA State NM

1. The estimated tops of geologic markers are as follows:

Rustler	1800'	Bone Spring	8900'
Top of Salt	1960'	TD	9100'
Bottom of Salt	3650'		
Yates	3850'		
Delaware	5100'		
Cherry Canyon	5980'		

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 250-750
Oil or Gas: 8925'

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 3M BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
14 3/4"	11 3/4	42#	H-40	8R	ST&C	0-1810	1810
11"	8 5/8	32#	J55	8R	ST&C	0-4200	4200'
11"	8 5/8	32#	HC-80	8R	ST&C	4200-5100	900'
7 7/8"	5 1/2	17#	N-80	8R	LT&C	0-2000	2000'
7 7/8"	5 1/2	17#	J55	8R	LT&C	2000-3000'	1000'
7 7/8"	5 1/2	15.5#	J55	8R	LT&C	3000-7000	4000'
7 7/8"	5 1/2	17#	J55	8R	LT&C	7000-8500'	1500'
7 7/8"	5 1/2	17#	N-80	8R	LT&C	8500-9100'	600'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80

B. CEMENTING PROGRAM:

Surface casing: 300 sx. Pacesetter Lite "C" w/ 1/4# Cellocel & 3% Cacl2 (wt. 12.4 ppg. Yield 1.84 ft3) + 250 sx. Class "C" w/ 2% Cacl2. (wt. 14.8 ppg., Yield 1.32 ft3) Cement calculated to circulate to surface.

Intermediate Casing: 1500 sx. Pacesetter Lite "C" w/ 1/4# Cellocel + 3% Cacl2. (wt. 14.8 ppg. Yield 1.32 ft3) + 250 sx. Class "C" w/ 2% Cacl2. (wt. 14.8 ppg. Yield 1.32 ft3) Cement calculated to circulate to surface.

Production Casing: 1st Stage: 250 sx. "H" w/ 8# sack CSE, + 0.6% CF-14 + 5# sack Gilsonite (wt. 13.6 ppg Yield 1.75 ft3) Cement calculated to 8000' DV tool set at approx. 8000 ft.

2nd Stage: 650 sacks pacesetter lite "C" w/ 5# sack Gilsonite, 1/4# sack Cellocel, + 0.5% CF-14. (wt. 12.7 ppg Yield 1.84 ft3) + 150 sacks "H" w/ 0.5% Cf-14 (wt. 13.6 ppg Yield 1.78 ft3). Cement calculated to tie back to intermediate csng. 100'.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1810	FWGEL	8.6 - 9.6	32-36	N/C
1150-5100	Brine	10.0 - 10.2	28	N/C
5100-9100	Cut Brine, Starch	8.9 - 9.1	28	< 15cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: Every 20' from surface casing to 3500'; 10' from 3500' to TD.

Logging: CNL - LTD from TD to casing with GR-CNL up to surface; DLL from TD to casing

Coring: None anticipated

DST's: Any tests will be based on the recommendations of the well site geologist as warranted by drilling breaks and shows

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From: 0	TO: 1810'	Anticipated Max. BHP: 250	PSI
From: 1810'	TO: 5100'	Anticipated Max. BHP: 2062	PSI
From: 5100'	TO: TD	Anticipated Max. BHP: 3800	PSI



Abnormal Pressures Anticipated: None

Lost Circulation zones anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 140F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 15 days to drill the well with completion taking another 20 days.

YATES PETROLEUM CORPORATION

Cherwin AIW Federal #1
2310' FNL and 2310' FEL
Sec. 12-T22S-R33E
Lea County, New Mexico

Exhibit B

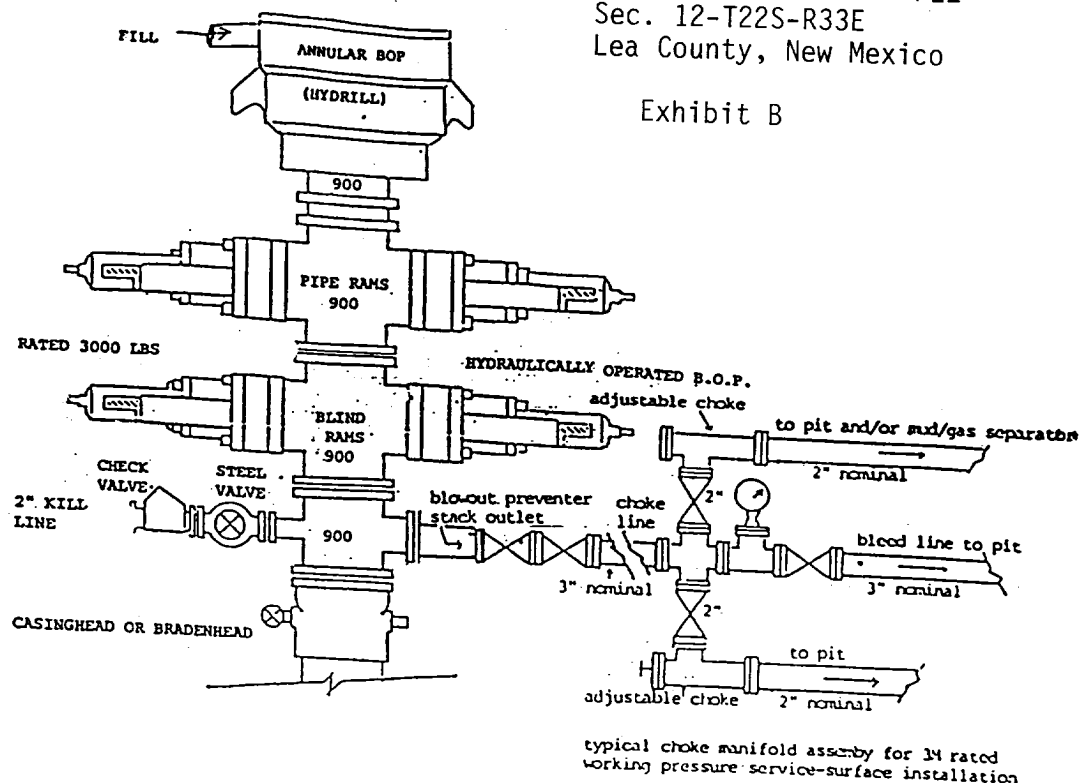


EXHIBIT B

THE FOLLOWING CONSTITUTES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 3" diameter.
3. Kill line to be of all steel construction of 3" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. Hole or tube to be a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls to be located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

6/26/96

173

