

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> Re-enter		5. LEASE DESIGNATION AND SERIAL NO. NM-77063
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 YATES PETROLEUM CORPORATION		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. 105 South 4th Street, Artesia, New Mexico 88210 (505) 748-1471		8. FARM OR LEASE NAME, WELL NO. Continental "APJ" Fed. #1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL and 1980' FWL, Unit C At proposed prod. zone Same		9. API WELL NO. 30-025-2042800
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 35 miles Northeast of Loving, NM		10. FIELD AND POOL, OR WILDCAT Triste Draw Delaware
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	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 28-T23S-R32E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 9100'	12. COUNTY OR PARISH Lea
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3687' GR	20. ROTARY OR CABLE TOOLS Rotary-Workover Rig	13. STATE NM
23. PROPOSED CASING AND CEMENTING PROGRAM		17. NO. OF ACRES ASSIGNED TO THIS WELL 40
22. APPROX. DATE WORK WILL START* ASAP		

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4" hole	8 5/8"		345' -in place	Cement Circulated
7 7/8" hole	5 1/2" J-55	15.5# & 17#	TD	1000 sacks (tie back above sale)

Yates Petroleum Corporation plans to drill out the plugs to original TD of 8780' and then deepen to a TD of 9100'. Run 5 1/2" casing to TD, cement with adequate cover, perforate and stimulate as needed for production.

MUD PROGRAM: Brine to TD

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

OPER. OGRID NO. 25575
PROPERTY NO. 17411
POOL CODE 59940
EFF. DATE 8/28/95
API NO. 30-025-20428

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 7-17-95

(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 15/Joan R. Flores TITLE for DATE 8-9-95

RECEIVED

AUG 16 1995

U.S. CUSTOMS
OFFICE

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

1 API Number 30-025-2042800		2 Pool Code 599 45		3 Pool Name East TRISTE DRAW DELAWARE	
4 Property Code 17411		5 Property Name Continental "APJ" Fed. #1			6 Well Number #1
7 OGRID No. 025575		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 3687' GR

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	28	23S	32E		660	North	1980	West	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 Signature <u>Clifton R. May</u> Printed Name <u>Clifton R. May</u> Title <u>Regulatory Agent</u> Date <u>7-17-95</u>			
	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. <u>REFER TO ORIGINAL PLAT</u> Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____			

RECEIVED

MAY 19 1995

U.S. AIR FORCE
OFFICE

YATES PETROLEUM CORPORATION
Continental "APJ" Federal #1
660' FNL and 1980' FWL
Section 28-T23S-R32E
Lea County, New Mexico

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Rustler	1,207'
Base of Salt	4,603'
Delaware	4,842'
Cherry Canyon	5,882'
Bone Spring	8,755'
TD	9,100'

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS, OR MINERAL FORMATIONS:

Water:	250 - Cased
Oil or Gas:	8755'

3: PRESSURE CONTROL EQUIPMENT

Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 2M 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, flow sensor equipment and sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position 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>
12 1/4"	8 5/8" in place					0-345'	345'
7 7/8"	5 1/2"	17#	J-55	8 Rd	LT&C	0-1500'	1500'
7 7/8"	5 1/2"	15.5#	J-55	8 Rd	LT&C	1500-6700'	5200'
7 7/8"	5 1/2"	17#	J-55	8 Rd	LT&C	6700-9100'	2400'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8

B. CEMENTING PROGRAM:

Surface casing: In place - cement circulated

Production Casing: 250 sx. "H" w/8# sack CSE, + 0.6% CF 14 + 5# sack Gilsonite (wt. 13.6 ppg yield 1.76 cu. ft.)

2nd Stage: 500 sacks "C" W/5# Gilsonite, 1/4# sack Cellocel, + 0.5% CF -14. (wt. 12.5 ppg Yield 2.04 cu.ft.) Tail in 250 sacks "H" w/0.5% CR-14 (wt.15.6 ppg yield 1.18 cu.ft.)

5. Mud program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
O-TD	Brine	8.9 - 9.3	28	N/C

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 5' from surface To 8750' to TD.

Logging: CNL - LDT / w GR - Minimum

Coring: None.

DST's: None

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

Anticipated BHP:

From: 8780' To: TD Anticipated Max. BHP: 3000 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 140° F

8. ANTICIPATED STARTING DATES

Anticipated starting date: As soon as possible after approval with the drilling time being approximately 10 days to drill the well with completion taking another 15 days.

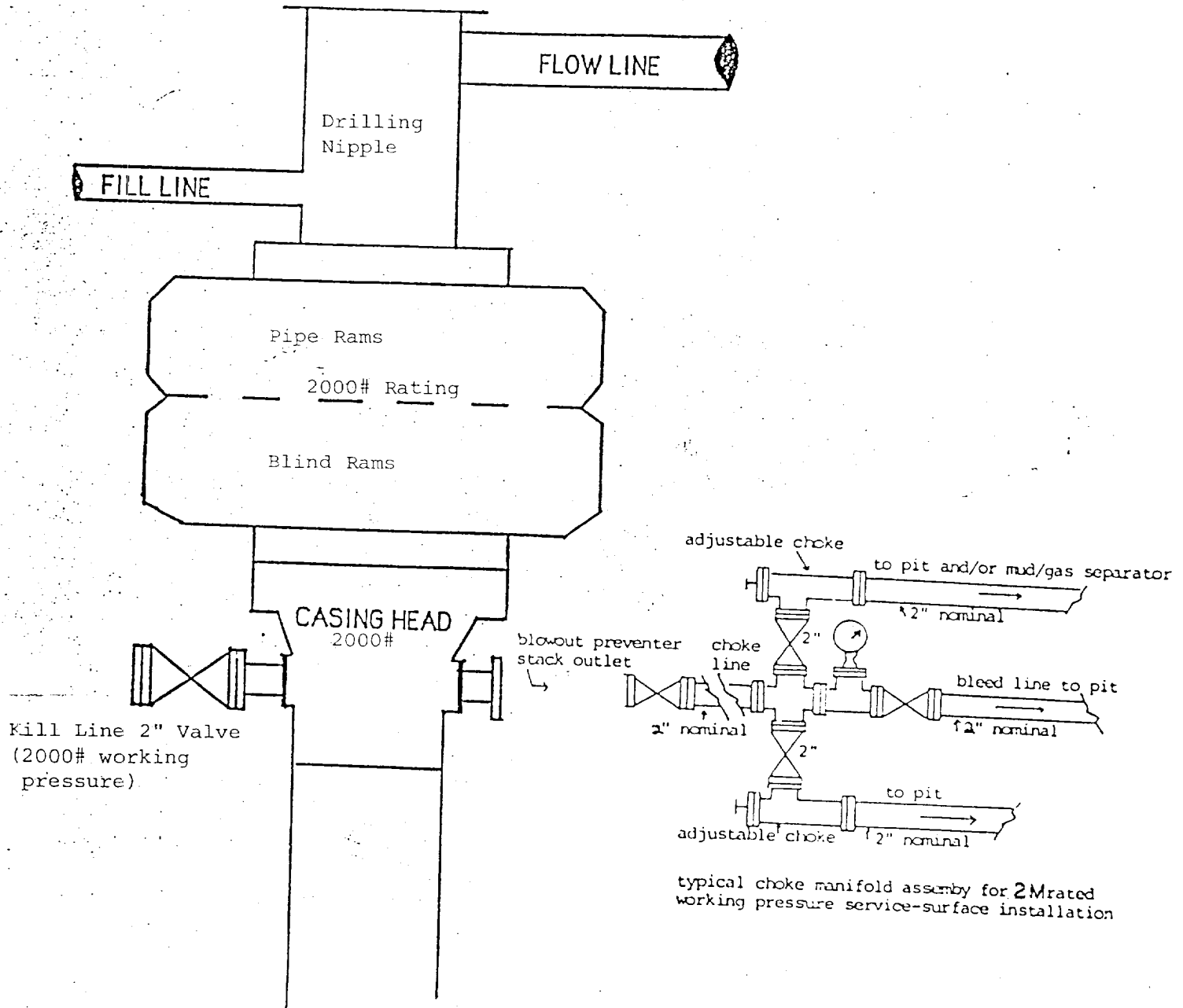
YATES PETROLEUM CORPORATION

Yates Petroleum Corporation

105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Continental "APJ" Federal #1
660' FNL and 1980' FWL
Section 28-T23S-R32E
Lea County, New Mexico

Exhibit B



**BLOWOUT PREVENTER
2M SYSTEM**