N. M. OIL ...
P. O. BOX 1980
HOBBS, NEW MEXICO 88240

30-025-32232

Form 3160-3
(July 1992)

SUBMIT IN ...IPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ]

b. TYPE OF WELL
OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS AND TELEPHONE NO.
105 South Fourth Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
890' FNL & 330' FWL
At proposed prod. zone
Same

5. LEASE DESIGNATION AND SERIAL NO.
NM-77077

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Jackal "ANJ" Federal

9. API WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat Delaware

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 4-T23S-R33E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 53.5 miles Southeast of Carlsbad, New Mexico

12. COUNTY OR PARISH: Lea
13. STATE: NM

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	17. NO. OF ACRES ASSIGNED TO THIS WELL
330'	599.30	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
	5400	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3704' GL

22. APPROX. DATE WORK WILL START*
ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24# J-55	1350'	950 sx circulated
7 7/8"	5 1/2"	15.5# J-55	TD	690 sx (Tieback)

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 1350' of surface casing will be set and circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW/spud Mud to 1350'; Brine, Salt Water Gel & Starch to TD.

BOP PROGRAM: BOP will be installed on the 8 5/8" casing and tested daily.

V-Door: Northeast.

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 [signature] TITLE Landman DATE 7/23/93

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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 (ORIG. SGD.) RICHARD L. MANUS TITLE AREA MANAGER DATE AUG 26 1993

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person 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

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
YATES PETROLEUM CORPORATION	JACKAL "ANJ" FEDERAL	1

Unit Letter	Section	Township	Range	County
D	4	23 SOUTH	33 EAST NMPM	LEA

Actual Footage Location of Well:
890 feet from the NORTH line and 330 feet from the WEST line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
3704.	DELAWARE	WILDCAT DELAWARE	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

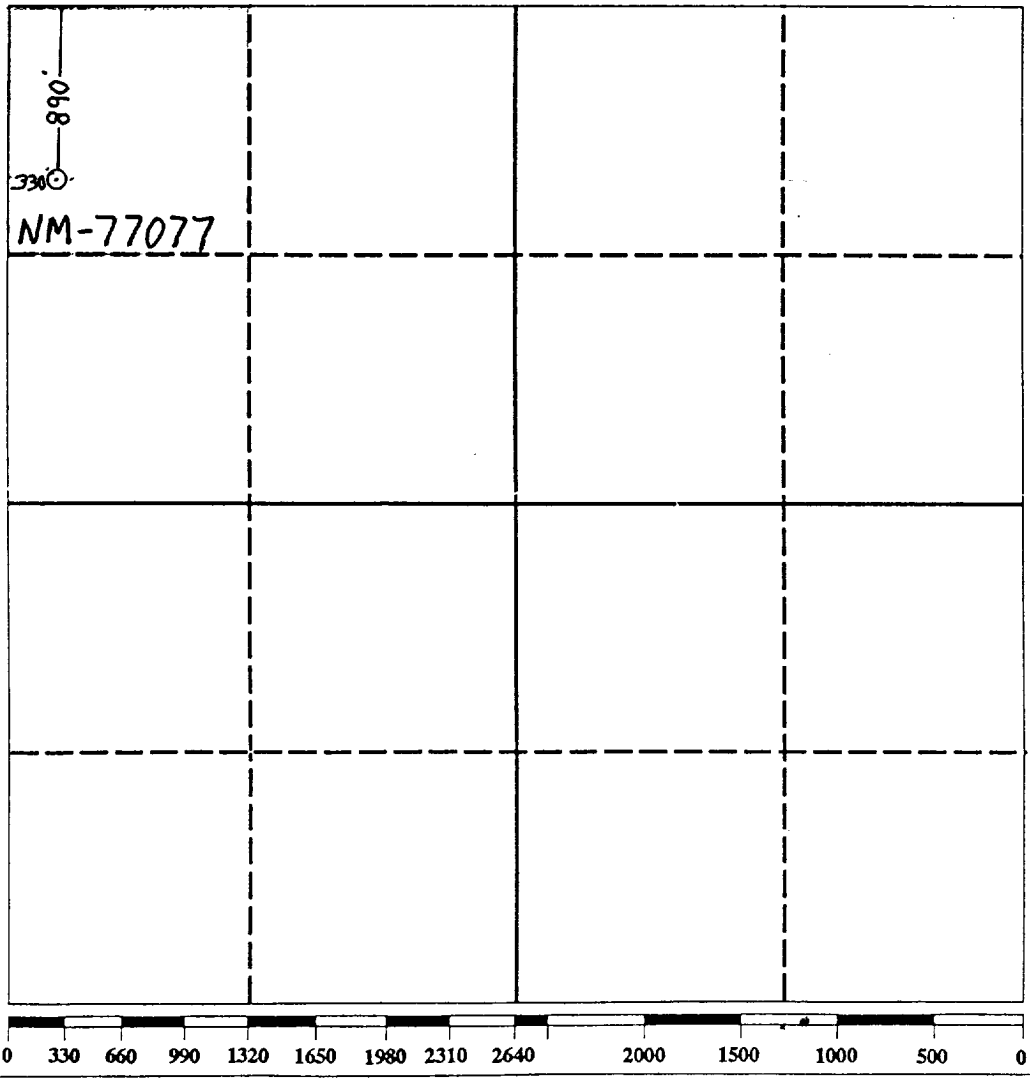
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☒ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if neccessary. _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name
Ken Beardemphl

Position
Landman

Company
YATES PETROLEUM CORP.

Date
7/13/93

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 6/26/93

Signature & Seal of Professional Surveyor
HERSCHEL L. JONES 3640
REGISTERED LAND SURVEYOR
NEW MEXICO

Certificate No. 3640

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YATES PETROLEUM CORPORATION
Jackal "ANJ" Federal #1
890' FNL and 330' FWL
Sec. 4-T23S-R33E
Lea County, State New Mexico

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

Rustler	1300'
Base of Salt	4800'
Bell Canyon	5080'
Ramsey Sand	5150'
Ford Shale	5230'
Olds Shale	5240'
TD	5400'

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

Water: 250' - 750'
Oil or Gas: 5150' and 5240'

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 3000 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 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)

Hole Size	Casing Size	Wt./Ft	Grade	Thread	Coupling	Interval	Length
12 1/4"	8 5/8"	24#	J55	8R	ST&C	0-1350'	1350'
7 7/8"	5 1/2"	15.5#	J55	8R	LT&C	0-5400'	5400'

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

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B. CEMENTING PROGRAM:

Surface casing: 700 sacks Pacesetter Lite "C" w/ 1/4# Cellocel + 3% CaCl2 (wt. 12.7 ppg. Yield 1-84 ft 3) + 250 sx Class "C" w/ 2% CaCl2 (wt. 14.8 ppg., Yield 1.32 ft3). Cement calculated to circulate to surface.

Production Casing: First Stage: 150 sx, "H" w/ 8# sack CSE + 0.6% CF-14 + 5# sack Gilsonite (wt. 13.6 ppg. Yield 1.76 ft 3) 540 Class C + Additives.

5. Mud Program and Auxiliary Equipment:

Interval	Type	Weight	Viscosity	Fluid Loss
0-1300'	FW/Spud	8.4-8.9	32 - 40	N/C
0-5400'	Brine Salt & Starch	10.0	31 - 33	<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: 10' samples out from under surface casing.
Logging: CNL/LDT from TD to casing, GN-CNL to surface, DLL w/ RXO TD to casing. Possible EPT.
Coring: None.
DST's: Possible DST in Bell Canyon, Approximately 5150', others as warranted.

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

From: 0	TO: 1350'	Anticipated Max. BHP:	720	PSI
From: 0	TO: 5400'	Anticipated Max. BHP:	2800	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 90 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 10 days to drill the well with completion taking another 14 days.

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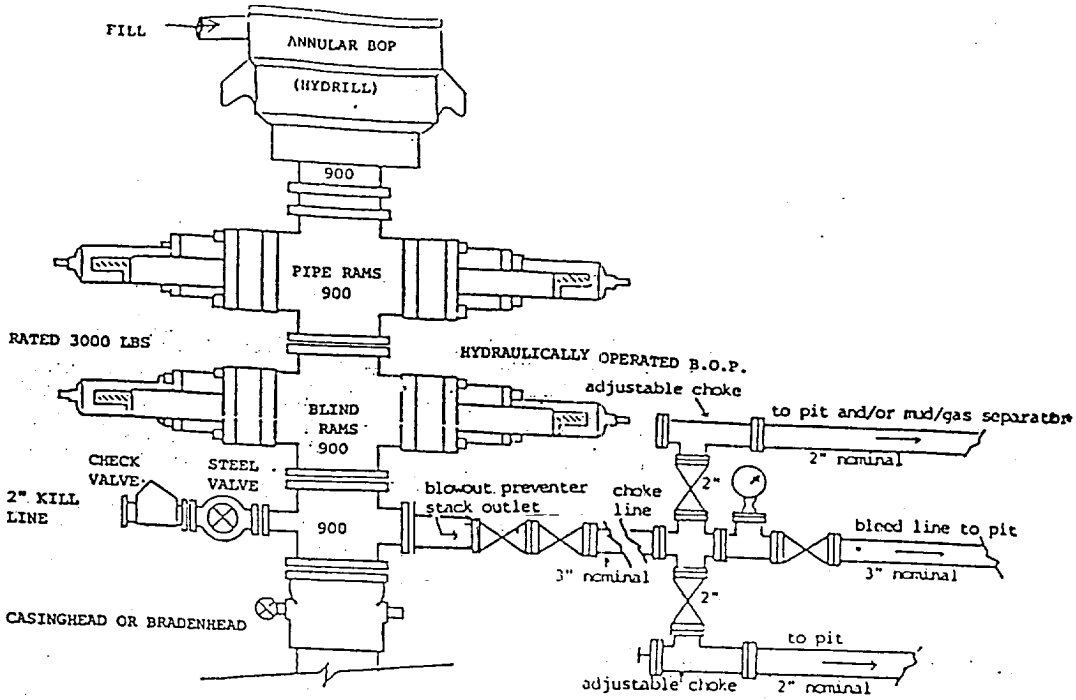
YATES PETROLEUM CORPORATION



typical choke manifold assembly for 3M rated working pressure service-surface installation

EXHIBIT B

THE FOLLOWING CONSTITUES 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.

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