

OPER. OGRID NO. 25575
 PROPERTY NO. 17411
 POOL CODE 59945
 EFF. DATE 9/14/95
 BUREAU OF LAND MANAGEMENT
 DEPARTMENT OF THE INTERIOR
 APIN NO. 30-025-33104

CATE*
: on

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

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

1980' FSL and 2310' FWL; Unit letter K

At proposed prod. zone

Same

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

35 miles Northeast of Loving, 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.)

3673

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
17 1/2"	13 3/8" J55	48#	650'	350 sx - Circulate
11"	8 5/8" J55&S80	32#	4800'	1040 sx - Circulate
7 7/8"	5 1/2" K55	15.5# & 17#	9100'	1650 sx - Circulate

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 650' of surface casing will be set and cement circulated. Approximately 4800' 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 & LCM to 650'; Brine to 4800'; Cut Brine to TD.

BOPE PROGRAM: BOPE will be installed 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 productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED

Clifton R. May

TITLE Regulatory Agent

DATE

SEP 14 1995

(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:

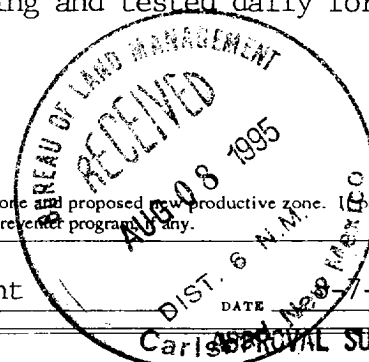
APPROVED BY

TITLE

DATE

SEP 14 1995

*See Instructions On Reverse Side



APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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UCL RUC
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

API Number 30-025-33104		Pool Code 59945	Pool Name West TRISTE DRAW DELAWARE
Property Code 17411	Property Name CONTINENTAL "APJ" FEDERAL		Well Number 2
OGRID No. 025595	Operator Name YATES PETROLEUM CORPORATION		Elevation 3673

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
K	28	23S	32E		1980	SOUTH	2310	West EAST	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.
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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 8-7-95 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. 8/02/95 Date of Survey Signature and Seal of Professional Surveyor: HERSCHEL L. JONES 3640 Certificate Number D 640

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YATES PETROLEUM CORPORATION
Continental "APJ" Federal #2
1980' FSL and 2310' 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
Oil or Gas:	8755'

3: PRESSURE CONTROL EQUIPMENT

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, 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>
17 1/2"	13 3/8"	48#	J-55	8 Rd	ST&C	0-650	650'
11"	8 5/8"	32#	J-55	8 Rd	ST&C	0-4300'	4300'
11"	8 5/8"	32#	S-80	8 Rd	LT&C	4300-4800'	500'
7 7/8"	5 1/2"	15.5#	K-55	8 Rd	Butt	0-1500'	1500'
7 7/8"	5 1/2"	15.5#	K-55	8 Rd	LT&C	1500-6800'	5300'
7 7/8"	5 1/2"	17#	K-55	8 Rd	LT&C	6800-9100'	2300'

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

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U.S. AIR FORCE
OFFICE

B. CEMENTING PROGRAM:

Surface casing: 350 sx "C" w/2% CaCl₂ circulate to surface

Intermediate Casing: 740 sx Lite & 300 sx "C" w/2% CaCl₂ circulate to surface

Production Casing: 650 sx. "H", 5# Gilsonite, 5# CSE, (DV tool 5600')

2nd Stage: 850 sx Lite "C", 5# Salt, 5# Gilsonite, .25# Celloseal, and 100 sx "C" circulate to surface

5. Mud program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-650'	FW Gel, LCM	8.6 - 9.6	32 - 36	N/C
650-4800'	Brine	10.0-10.2	28	N/C
4800-TD	Cut Brine	8.9-9.1	29 - 31	<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 10' from surface casing to TD.

Logging: CNL - LDT 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: 1210'	Anticipated Max. BHP:	300	PSI
From: 1210'	To: 4800'	Anticipated Max. BHP:	2500	PSI
From: 4800'	To: 9100'	Anticipated Max. BHP:	3500	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 15 days to drill the well with completion taking another 20 days.

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JGD HOBBS
OFFICE

Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Continental APJ Fed. #2
 1980' FSL and 2310' FWL
 Sec. 28-T23S-R32E
 Lea County, New Mexico

Exhibit B

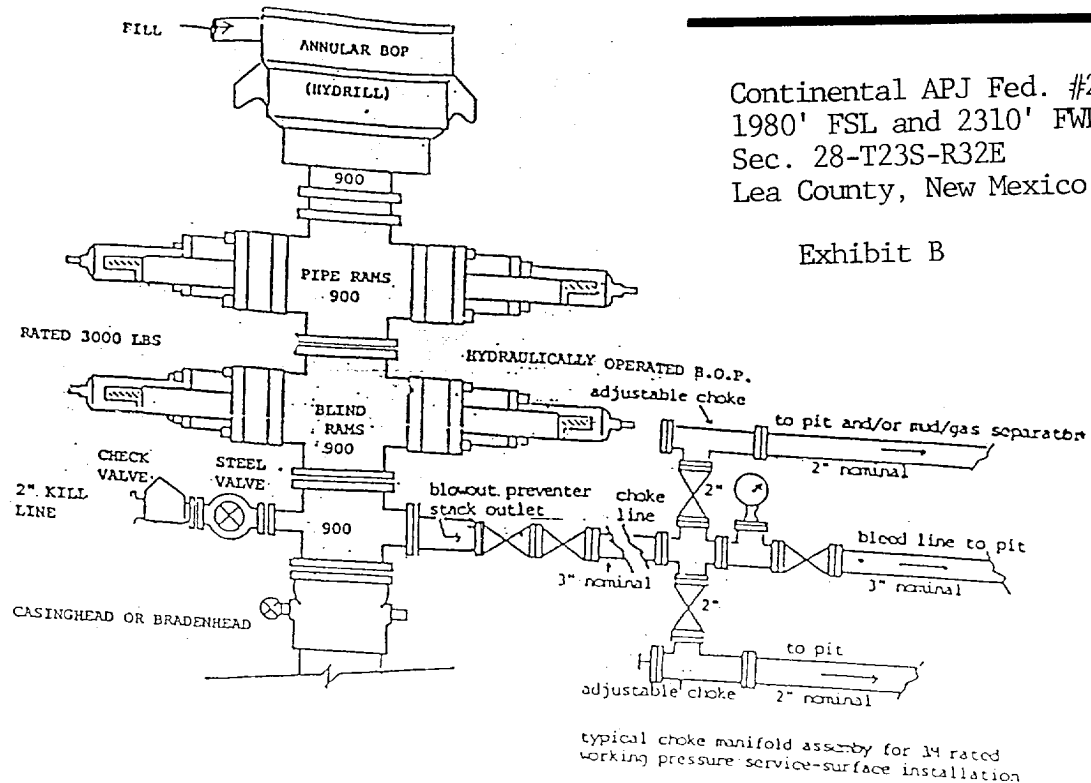


EXHIBIT B

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.