

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

Form 3160-3  
(July 1992)

SUBMIT IN TRIPLICATE\*  
(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 <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-81274
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input 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 Fourth Street, Artesia, NM 88210 (505) 748-1471		8. FARM OR LEASE NAME, WELL NO. Thyme "APY" Federal #1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 330' FNL and 1650' FEL At proposed prod. zone Same		9. API WELL NO. Red Tank
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 41 miles Northwest of Jal, New Mexico		10. FIELD AND POOL, OR WILDCAT Wildcat-Bone Spring
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 479.25	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 1-T23S-R32E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 10,000'	12. COUNTY OR PARISH Lea
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3752' GR	20. ROTARY OR CABLE TOOLS Rotary	13. STATE NM
22. APPROX. DATE WORK WILL START* ASAP		

PROPOSED CASING AND CEMENTING PROGRAM

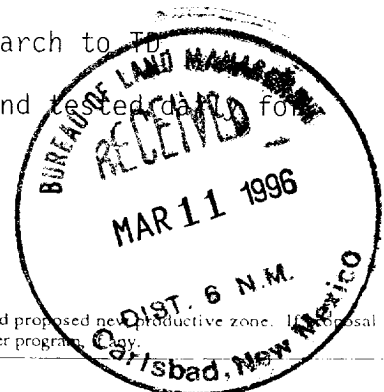
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	1150'	550 sacks circulated
12 1/4"	8 5/8"	32#	4650'	1750 sacks (tie back)
7 7/8"	5 1/2"	15.5# & 17#	TD	1050 sacks (tie back)

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 1150' of surface casing will be set and cement circulated. Approximately 1650' 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 1150'; Brine to 4650', Cut Brine, Starch to TD

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

OPER. OGRID NO. 25575  
PROPERTY NO. 18793  
POOL CODE 51683  
EFF. DATE 4/3/96  
API NO. 30-053-33370



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.

SIGNED: Clifton R. May TITLE: Regulatory Agent DATE: 3-7-96  
(This space for Federal or State office use)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

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: (ORIG. SGD.) RICHARD L. MANUS TITLE: AREA MANAGER DATE: MAR 29 1996

\*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		Pool Code		Pool Name <b>WILDCAT BONE SPRING</b>	
Property Code		Property Name THYME "APY" FEDERAL			Well Number 1
OGRID No. <b>025575</b>		Operator Name YATES PETROLEUM CORPORATION			Elevation 3752

<sup>10</sup> Surface Location

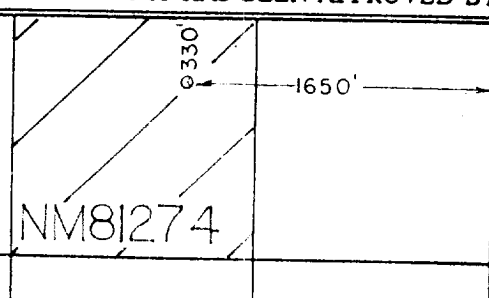
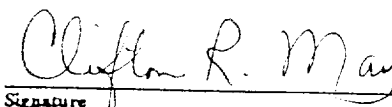
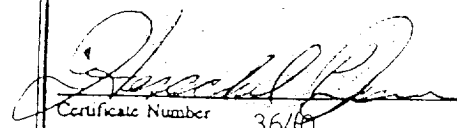
UL or lot no. B	Section 1	Township 23S	Range 32E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 1650	East/West line EAST	County LEA
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

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<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature Clifton R. May Printed Name Regulatory Agent Title 3-7-96 Date				
<b>18 SURVEYOR CERTIFICATION</b> 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.  3/01/96 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number 3640				

**YATES PETROLEUM CORPORATION  
THYME "APY" FEDERAL #1  
330' FNL AND 1650' FWL  
SECTION 1-T23S-R32E  
LEA COUNTY, NEW MEXICO**

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

Rustler	1180'	Bone Spring	8670'
Top of Salt	1210'	Avalon Sand	8840'
Bottom of Salt	4600'	TD	10,000'
Bell Canyon	4880'		
Cherry Canyon	5930'		
Brushy Canyon	7680'		

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

Water: 250-750  
Oil or Gas: 7680' and 8870'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" 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>
17 1/2"	13 3/8	48#	J55	8R	ST&C	0-1150'	1150'
12 1/4"	8 5/8	32#	J55	8R	ST&C	0-4200'	4200'
12 1/4"	8 5/8	32#	HC80	8R	ST&C	4200-4650'	450'
7 7/8"	5 1/2	17#	N80	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#	N80	8R	LT&C	8500-10000'	1500'

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

**B. CEMENTING PROGRAM:**

Surface casing: 550 sx. Pacesetter Lite "C" w/ 1/4# Cellocel & 3% CaCl<sub>2</sub> (wt. 12.4 ppg. Yield 1.84 ft<sup>3</sup>) + 250 sx. Class "C" w/ 2% CaCl<sub>2</sub>. (wt. 14.8 ppg., Yield 1.32 ft<sup>3</sup>) Cement calculated to circulate to surface.

Intermediate Casing: 1500 sx. Pacesetter Lite "C" w/ 1/4# Cellocel + 3% CaCl<sub>2</sub>. (wt. 14.8 ppg. Yield 1.32 ft<sup>3</sup>) + 250 sx. Class "C" w/2% CaCl<sub>2</sub>. (wt. 14.8 ppg. Yield 1.32 ft<sup>3</sup>) 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 ft<sup>3</sup>) 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 ft<sup>3</sup>) + 150 sacks "H" w/0.5% Cf-14 (wt. 13.6 ppg Yield 1.78 ft<sup>3</sup>). 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>
0-1150	FWGEL	8.6 - 9.6	32-36	N/C
1150-4650	Brine	10.0-10.2	28	N/C
4650-10000	cut brine, starch	8.9 - 9.1	30	< 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 - LTD from TD to casing with GR-CNL up to surface; DLL w/RXO 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

**THYME "APY" FEDERAL #1**

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

**Anticipated BHP:**

<b>From: 0</b>	<b>TO: 1150</b>	<b>Anticipated Max. BHP: 250</b>	<b>PSI</b>
<b>From: 1150</b>	<b>TO: 4650</b>	<b>Anticipated Max. BHP: 2062</b>	<b>PSI</b>
<b>From: 4650</b>	<b>TO: TD</b>	<b>Anticipated Max. BHP: 3800</b>	<b>PSI</b>

**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

Thyme APY Federal #1  
330' FNL and 1650' FWL  
Sec. 1-T23S-R32E  
Lea County, New Mexico

Exhibit B

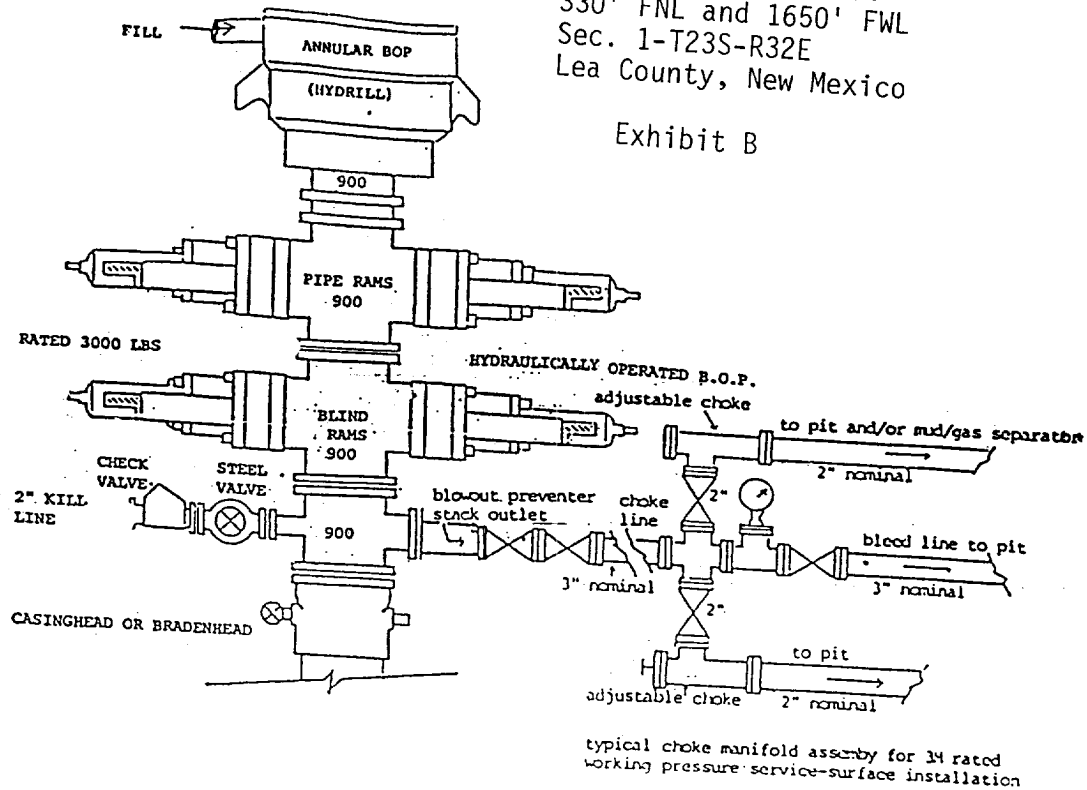


EXHIBIT B

## 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.

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