

OPER. OGRID NO. 25575

PROPERTY NO. 18793

PLICATE*

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

UNIT POOL CODE 51683
DEPARTMENT EFF. DATE 8/2/96

BUREAU OF API NO. 30-D25-33529

APPLICATION FOR PL

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

1650' FNL and 1650' FEL

At proposed prod. zone

Same

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

41 miles Northwest of Jal, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

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

3741' GR

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"	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 13 3/8" casing and tested daily for operational.

Subject to
General Requirements and
Special stipulations
Attached

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

6-20-96

(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:

/s/ TIMOTHY J. BURKE

APPROVED BY

TITLE

Acting AREA MANAGER

DATE

JUL 24 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 30-025-33529		Pool Code 51683	Pool Name RED TANK BONE SPRINGS
Property Code 18793	Property Name THYME "APY" FEDERAL		Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3741

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
G	1	23S	32E		1650	NORTH	1650	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

<p>16</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Clifton R. May</i> Signature Clifton R. May Printed Name Regulatory Agent Title 6-20-96 Date</p>	
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor Certificate Number</p>	
	<p>3640</p>	

**YATES PETROLEUM CORPORATION
THYME "APY" FEDERAL #2
1650' FNL AND 1650' FEL
SECTION 1-T23S-R32E
LEA COUNTY, NEW MEXICO**

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

Rustler	1260'	Bone Spring	8800'
Top of Salt	1295'	TD	9150'
Bottom of Salt	4680'		
Delaware	4968'		
Cherry Canyon	5990'		

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

Water: 250-750
Oil or Gas: 8800'

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	8500-9150'	650'

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% 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>
0-1150	FWGEL	8.6 - 9.6	32-36	N/C
1150-4650	Brine	10.0-10.2	28	N/C
4650-9150	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 20' from surface to 4400', 10' from 4400' to TD.

Logging: CNL/LDT from TD to casing with GR-CNL up to surface; DLL w/RXO from TD to casing; CMR over selected intervals

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 #2

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7. Abnormal Conditions, Bottom hole pressure and potential hazards:
Anticipated BHP:
- | | | | |
|------------|----------|----------------------------|-----|
| From: 0 | TO: 1150 | Anticipated Max. BHP: 250 | PSI |
| From: 1150 | TO: 4650 | Anticipated Max. BHP: 2062 | PSI |
| From: 4650 | 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

Thyme APY Federal #2
1650' FNL and 1650' FEL
Section 1-T23S-R32E
Lea County, New Mexico
Exhibit B

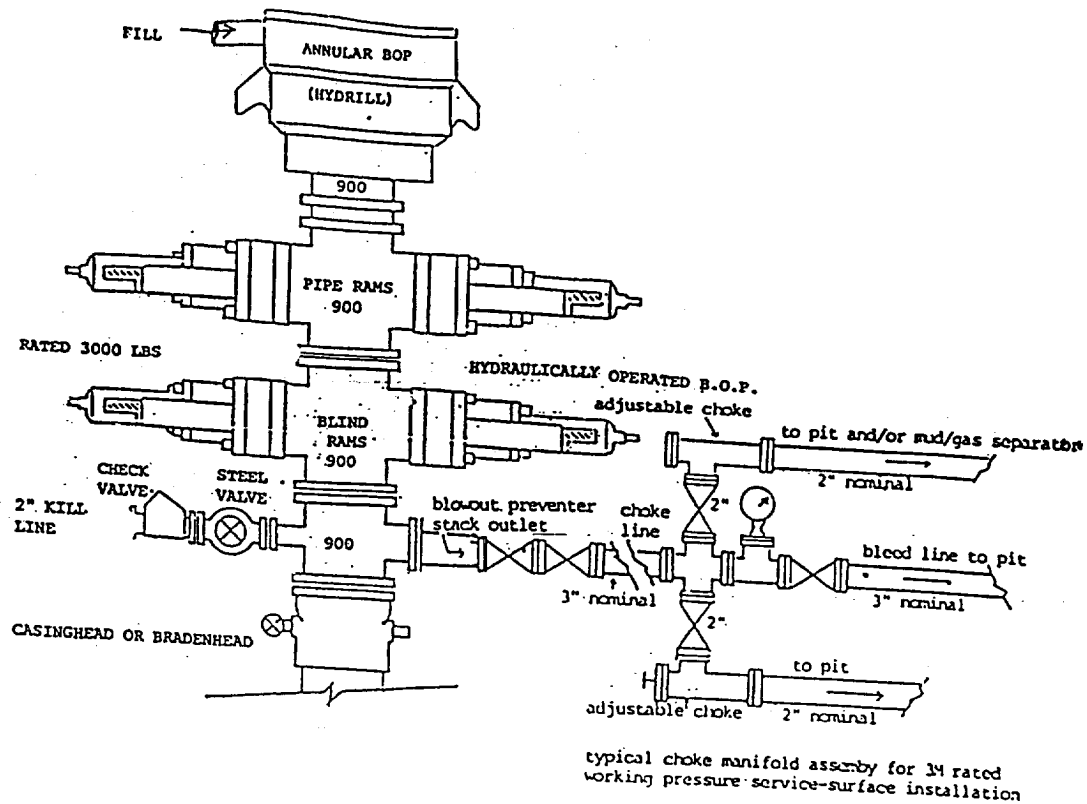


EXHIBIT B

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.