<b>Form 3160-3</b>		OPER. OG PROPERT _ POOL COU	Y NO.		3 Licati	E* FORM A	PPROVED
(July 1992)	UNI <sup>-</sup> DEPARTMEN		0	2 (96	) ) )	OMB NO.	1004-0136 mary 28, 1995
		I I API NO		07-77		5. LEASE DESIGNATI	ON AND BERIAL NO
					2 <u>51)</u>	NM-81274	
APPL a. TYPE OF WORK	ICATION FOR P	ERMII IU	UKIL	L UN DELF		6. IF INDIAN, ALLOT	TEE OR TRIBE NAMI
DR b. TYPE OF WELL		DEEPEN				7. UNIT AGREEMENT	NAME
WELL KA V	VELL OTHER				ULTIPLE	8. FARM OR LEASE NAME,	WELL NO.
ADDRESS AND TELEPHONE NO.	EUM CORPORATION					9. API WELL NO.	ederal #3
	urth Street, Art	esia NM 8	8210	(505) 748-	1/171	10. FIELD AND POOL	
LOCATION OF WELL (F At surface	Report location clearly and	1 in accordance w	ith any 8	state requirements.	•)	Red Tank Bo	
330' FNL and	2310' FWL					11. SEC., T., B., M., O	R BLK.
At proposed prod. zon	ae		Uni	10		AND SURVEY OR	area
Same 4. DISTANCE IN MILES	AND DIRECTION FROM NEA				,	Sec. 1-T23	
	thwest of Jal, N		SI UPTIC	•••		12. COUNTY OR PARIS	
5. DISTANCE FROM PROP LOCATION TO NEARES	USED*		16. NO	OF ACRES IN LEA		OF ACRES ASSIGNED	NM
PROPERTY OR LEASE (Also to nearest dr)	LINE, FT. g. unit line, if any)			79.25	TOT	CHIS WELL 40	
S. DISTANCE FROM PRO TO NEAREST WELL, I or Applied For, on th	BRILLING, COMPLETED.			OPOSED DEPTH		ARY OR CABLE TOOLS	····
	the LEASE, FT.		9	150'	<u>  Ro</u>	tary	
3749' GR		·····				22. APPROX. DATE ASAP	WORK WILL START
		PROPOSED CAS	SING ANI	CEMENTING PR	OGRAM		
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER	FOOT	SETTING DEPT		QUANTITY OF CEN	
12 1/4"	<u>13 3/8"</u> 8 5/8"	<u>48#</u> 32#		<u>1150'</u> 4650'		sacks circula	
7 7/8"	5 1/2"	15.5# &	17#			<u>sacks (tie b</u> sacks (tie b	
formations. Approximately commercial, p	eum Corporation Approximately 1 / 1650' of inter production casin ed as needed for	150' of su mediate ca g will be	rface sing w run an	casing wil vill be set	l be set a and cemen	nd cement circ t circulated.	culated.
MUD PROGRAM:	FW/Gel to 1150	'; Brine t	o 4650	)', Cut Bri	ne, Starch	to TD.	
BOPE Program:	BOPE will be operational.	nippled up	on tl	ne 13 3/8" (	casing and	tested daily	for
				(20 7) <b>Z (14</b> )	olari Sabjec Sali Requise Siai Stipuleti Ishod	STORE AFTER	са 19 Село Село
eepen directionally, give per	BE PROPOSED PROGRAM: If tinent data on subsurface location	proposal is to deepen ins and measured and	, give data true vertica	on present productiv al depths. Give blowou	e zone and propose it preventer program	d new productive zone. I , if any.	f proposal is to drill
	It R m	aus -	ITLE[	Regulatory	Agent	DATE	5-20-96
BIGNED	pm 11. 11			• •			
SIGNED	eral or State office use)	J	. <u></u>				
	eral or State office use)			APPROVAL DATE			

APPROVED BY	is/	TIMOTHY	J. BURKE
741K016001			

\*See Instructions On Reverse Side JUL 2 4 1996

P

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

District I PO Box 1980, Hobbs, NM 88241-1980

Distna II

PO Drawer DD, Artesia, NM 88211-0719

District []]

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

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AMENDED REPORT

1 AT Number   1 Poil Code   1 Property Name   1 Property Code     1 Property Code   1 Property Name   1 Will Number   3     1 OCKED No.   1 Operation Name   3   1 Operation Name   3     0 QL SS 7 S   YATES PETROLEUM CORPORATION   3749   3     1 UL or tot no.   Section   1 December Name   3   1 December Name     0 L or tot no.   Section   1 December Name   3   1 December Name     1 UL or tot no.   Section   1 December Name   1 December Name   3749     1 UL or tot no.   Section   1 December Name   North/South Stee   Post from the   Local North     1 December Name   1 December Name   North/South Stee   Post from the   Local North   LEA     1 December Name   1 December Name   North/South Stee   Post from the   Local North   LEA   Constr     1 December Name   1 December Name   North/South Stee   Post from the   Local North   Lead New Eac   Constr     1 December Arrow   3 State or Infull   Constr   North/South Stee   Post from the   Local North   Constr	· · · · · · · · · · · · · · · · · · ·		WE	ELL LO	CATIO	N AND A	٩CI	REAGE DEDI	CATION P	LAT		
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#### YATES PETROLEUM CORPORATION THYME "APY" FEDERAL #3 330' FNL AND 2310' FWL 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:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	Coupling	<u>Interval</u>	Length
17 1/2" 12 1/4" 12 1/4" 7 7/8" 7 7/8" 7 7/8" 7 7/8" 7 7/8"	13 3/8 8 5/8 8 5/8 5 1/2 5 1/2 5 1/2 5 1/2 5 1/2 5 1/2	48# 32# 17# 17# 15.5# 17# 17#	J55 J55 HC80 N80 J55 J55 J55 N80	8R 8R 8R 8R 8R 8R 8R 8R	ST&C ST&C ST&C LT&C LT&C LT&C LT&C LT&C	0-1150' 0-4200' 4200-4650' 0-2000' 2000-3000' 3000-7000' 7000-8500' 8500-9150'	2000' 1000' 4000' 1500'

A. Casing Program: (All New)

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

THYME "APY" FEDERAL #3 Page 2

#### B. CEMENTING PROGRAM:

Surface casing: 550 sx. Pacesetter Lite "C" w/ 1/4# Cellocel & 3% CaClz (wt. 12.4 ppg. Yield 1.84 ft3) + 250 sx. Class "C" w/ 2% CaClz. (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 ft 3) + 250 sx. Class "C" w/2% CaClz. (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:

Interval	<u>Түре</u>	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss	
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 10' 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 #3 Page 3

 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 DETROLEUM CORPORATION**

Thyme APY Federal #3 330' FNL and 2310' FWL Sec. 1-T23S-R32E Lea County, New Mexico



typical choke manifold assemby for 14 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.
- 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.
- Operating controls to be located a safe distance from the rig floor.
- 9. Hole must be kept filled on trips below intermediate casing.