

PROPERTY NO. 18327
UNIT 53805
DEPARTMENT 1/9/92
BUREAU OF 32-025-33722

ICATE*
as on

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

UNIT
DEPARTMENT
BUREAU OF I

APPLICATION FOR PE

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, New Mexico, 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

330' FNL and 990' FEL; Unit Letter A

At proposed prod. zone

Same

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

28 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

80

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

10,000'

20. ROTARY OR CABLE TOOLS

Rotary

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

3640' GR

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" J-55	48#	650'	450 sx - circulated with
11"	8 5/8" J-55/S80	32#	4800'	1040 sx- circulated with
7 7/8"	5 1/2" K55	15.5# & 17#	10,000'	1600 sx - circulated

Yates Petroleum Corporation proposes to drill and test the Bone Spring and intermediate formations. Approximately 650' of surface 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 13 3/8" 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 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 November 11, 1996

(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 (ORIG. SGD) TONY L. FERGUSON

TITLE

ADM. MINERALS

DATE

1.1.97

*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

APL Number 30-025-33772		Pool Code 53805	Pool Name SOUTH SAND DUNES BONE SPRING
Property Code 18327	Property Name DARIUS "ADS" FEDERAL		Well Number 2
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3640

¹⁰ Surface Location

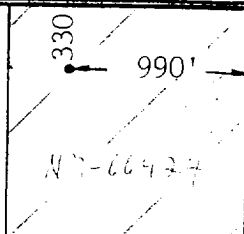
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	23S	32E		330	NORTH	990	EAST	LEA

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	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

<div>16</div> 	<div>17 OPERATOR CERTIFICATION</div> <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 November 11, 1996 Date</p>	
	<div>18 SURVEYOR CERTIFICATION</div> <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>10/29/96 Date of Survey Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number - 3640</p>	

YATES PETROLEUM CORPORATION

Darius "ADS" Federal #2

330' FNL and 990' FEL

Section 30-T23S-R32E

Lea County, New Mexico

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Rustler	1060'
Base of Salt	4425'
Delaware	4668'
Cherry Canyon	5730'
Bone Spring	8560'
Avalon Sand	8650'
1st Bone Spring Sand	9650'
TD	10000'

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

Water:	Approximately 150' - 250'
Oil or Gas:	8560' and 9650'

3. PRESSURE CONTROL EQUIPMENT

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, 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'-10000'	3200'

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

B. CEMENTING PROGRAM:

Surface casing: 450 sx "C" w/2% CaCl₂ circulate.

Intermediate Casing: 740 sx Lite and 300 sx "C" w/2% CaCl₂.

Production Casing: Stage 1: 650 sx "H", 5# Gilsonite, 5# CSF.

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>
Spud 650'	FW Gel, Paper LCM	8.6 - 9.6	32 - 36	N/C
650' to 4800'	Brine	10.0-10.2	28	N/C
4800' to 10000'	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: 20' samples from surface to 4300'; 10' samples from 4300' to TD.
Logging: CNL/LDT, to TD to casing with GR/CNL to surface; DLLW/RXO, TD to casing;
Coring: None
DST's: None

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

From: 0'	To: 650'	Anticipated Max. BHP:	300 PSI
From: 650'	To: 4800'	Anticipated Max. BHP:	2500 PSI
From: 4800'	To: 10000'	Anticipated Max. BHP:	3500 PSI

Abnormal Pressures Anticipated: None

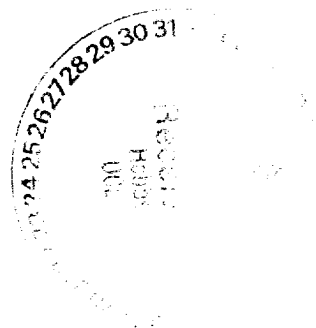
Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 140° F

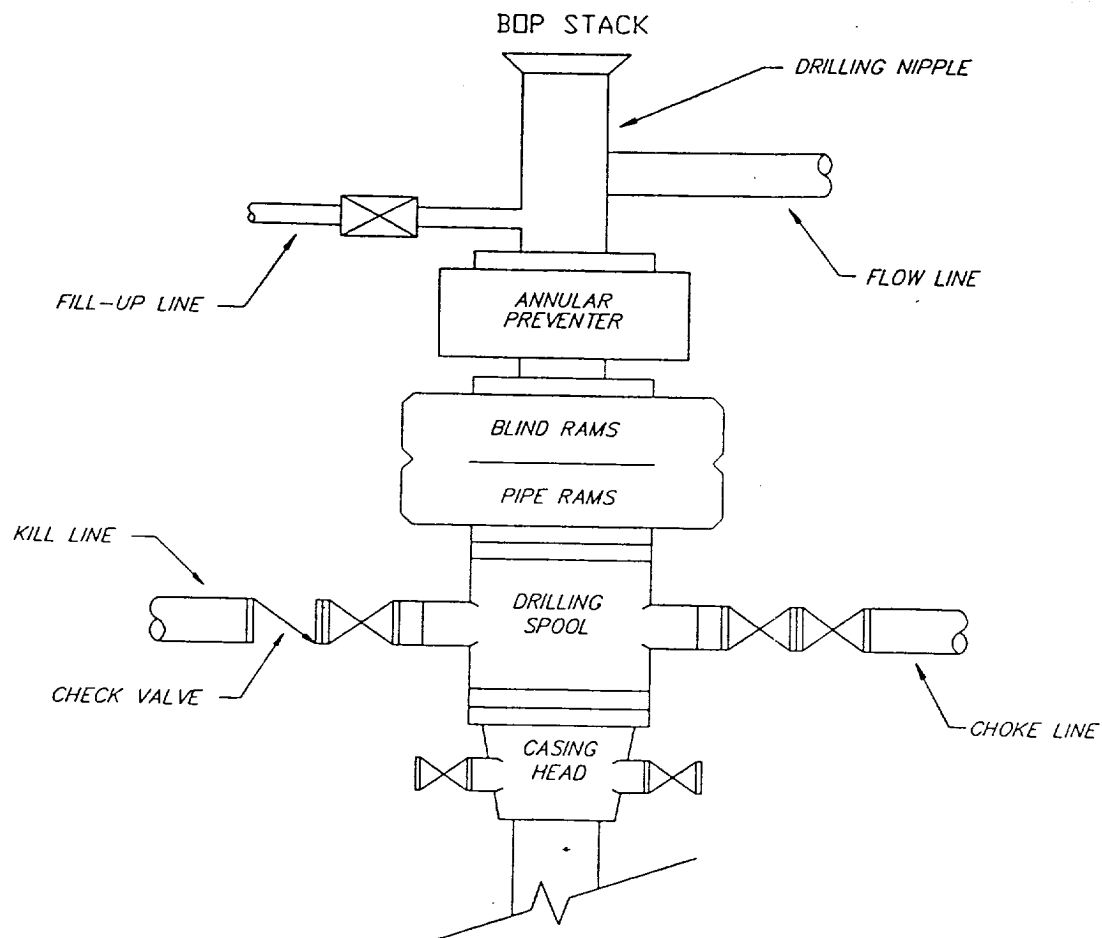
8. ANTICIPATED STARTING DATES

Anticipated starting date: As soon as possible after approval with the drilling time being approximately 15 days and the completion time being another 20 days.



YATES PETROLEUM CORPORATION

EXHIBIT "B" TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC

