

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPER. OGRID NO. 25575
PROPERTY NO. 20478
POOL CODE ✓
EFF. DATE 3/3/97
API NO. 3D-025-33863

ORM APPROVED
MB NO. 1004-0136
res: February 28, 1995

SIGNATURE AND SERIAL NO.

164
ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL

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 (505) 748-1471

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

At surface

760' FSL and 990' FEL, Unit P

At proposed prod. zone

Same

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

39 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)

16. NO. OF ACRES IN LEASE

480

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

9800'

20. ROTARY OR CABLE TOOLS

Rotary

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

3690' GR

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENT

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	1150'	550 sx circulated
12 1/4"	8 5/8"	32#	4650'	1750 sx (tie back)
7 7/8"	5 1/2"	15.5# & 17#	TD	1050 sx (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 nipples up on the 8 5/8" casing and tested daily for operational.

NOTE: OFFLEASE ROAD RIGHT OF WAY WILL BE NEEDED.

APPROVAL 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 February 4, 1997
(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 JOHN WOOD TONY L. FERGUSON TITLE ADMIN. MINERALS DATE 2/27/97

*See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33863	Pool Code <input checked="" type="checkbox"/>	Pool Name WILDCAT Bone Spring
Property Code 20478	Property Name PARSLEY "ARA" FEDERAL	Well Number 1
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3690

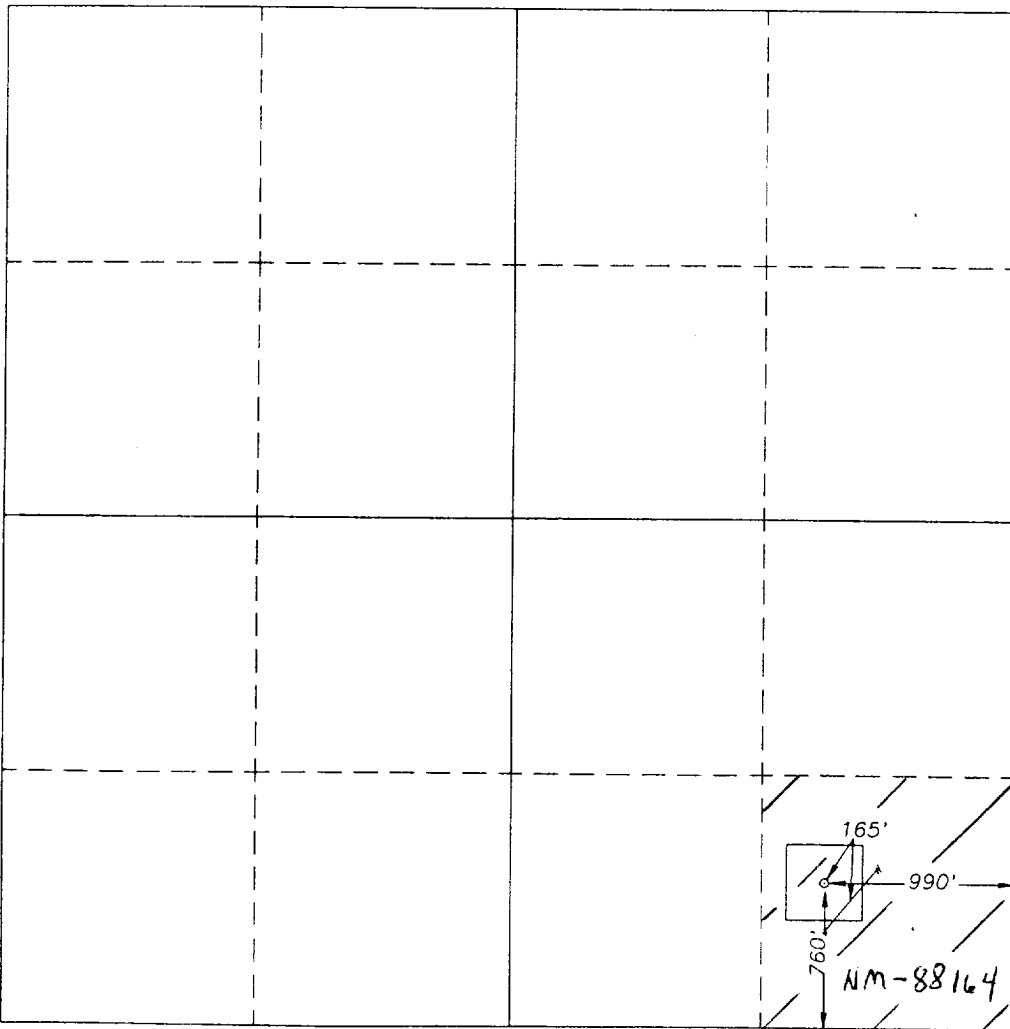
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	26	23S	32E		760	SOUTH	990	EAST	LEA

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.						

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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Clifton R. May Signature</p> <p>Clifton R. May Printed Name</p> <p>Regulatory Agent Title</p> <p>February 4, 1997 Date</p>	
	<p>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>1/30/97 Date Surveyed</p> <p>Professional Surveyor Signature & Seal</p> <p>HERSCHEY, JONES & COMPANY Certification No. HERSCHEY, JONES & COMPANY SLS 3640 GENERAL SURVEYING COMPANY</p>	

**YATES PETROLEUM CORPORATION
PARSLEY "ARA" FEDERAL #1
760' FSL AND 990' FEL
SECTION 26-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	9800'
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 8670'

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	8500-9800'	1300'

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
4650-9800	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/LDT 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

PARSLEY "ARA" FEDERAL #1
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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

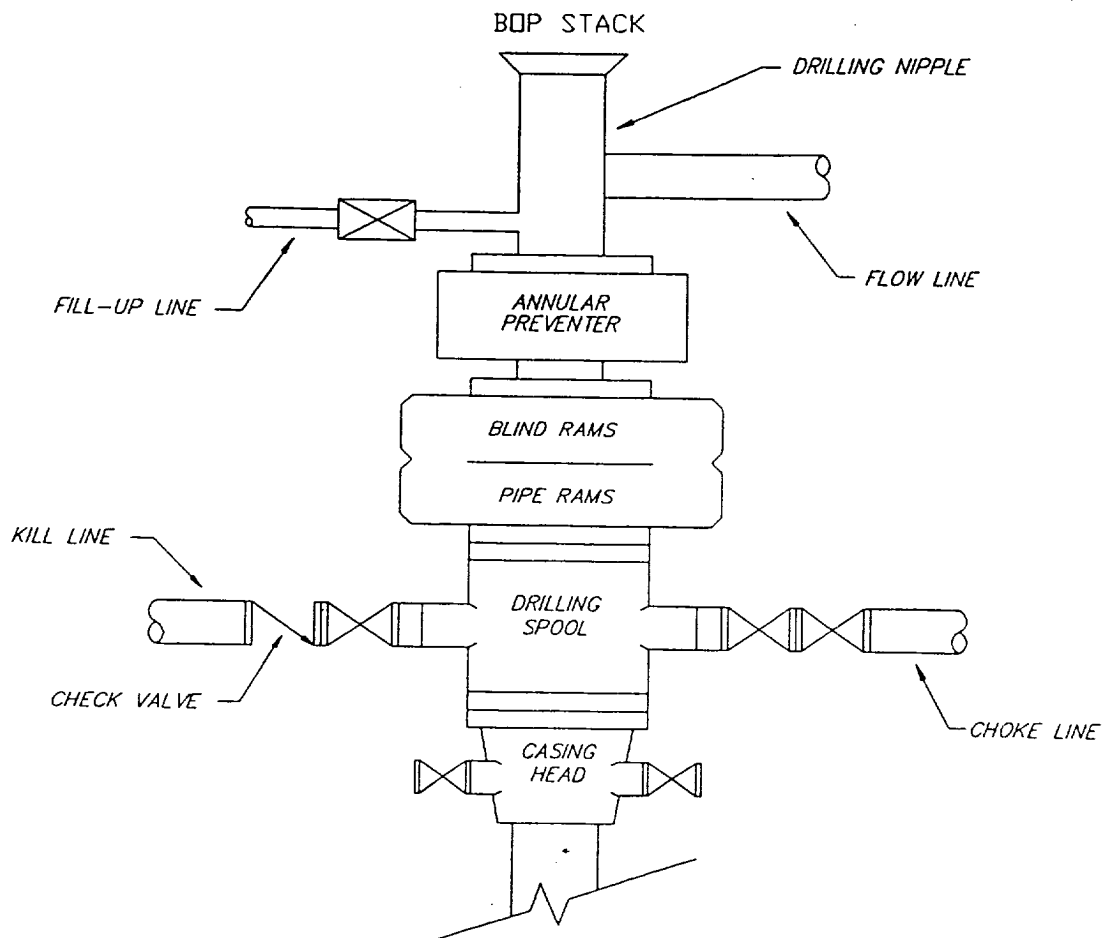
Maximum Bottom Hole Temperature: 140F

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

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



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

