

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input type="checkbox"/> <b>DEEPEN</b> <input checked="" type="checkbox"/> <b>Re-Entry</b>		5. LEASE DESIGNATION AND SERIAL NO. NM-2593
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" 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, New Mexico 88210 (505) 748-1471		8. FARM OR LEASE NAME, WELL NO. Ed Powell "IG" Fed. Com #1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface Unit Letter I; 1980' FSL and 660' FEL At proposed prod. zone Same		9. API WELL NO. 30-025-12453
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12 miles Southeast of Jal, New Mexico		10. FIELD AND POOL, OR WILDCAT Wildcat Strawn
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 7-T26S-R38E
16. NO. OF ACRES IN LEASE 2,320		12. COUNTY OR PARISH Lea
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 11,137'		20. ROTARY OR CABLE TOOLS Rotary Reverse Unit
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,024' GR		22. APPROX. DATE WORK WILL START*

## 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" H-40	48#	450' In Place	500 sacks - circulated
12 1/4"	9 5/8" J-55	36#	4000' In Place	1050 sacks
8 3/4"	5 1/2" J-55 & N-80	17# & 20#	TD	500 sacks (TIE BACK ABOVE WOLFCAMP MINIMUM)

This well was originally drilled in 1959 by Plymouth Oil Company as their Federal Lowe #1 and was P & A'd in 1959. Yates Petroleum Corporation plans to drill out the plugs at the surface, 3,900', 6,750', 8,000', 8,370', 9,150', and cleanout the 8 3/4" hole to TD of 11,137'. Run open hole logs. If determined to be commercial, run 5 1/2" casing to TD and cement back to 7,000' +, perforate and stimulate as needed for production.

**MUD PROGRAM:** This is a re-entry and use sufficient mud weight for each zone (Brine Based)

**BOPE PROGRAM:** BOPE will be installed on the 9 5/8" casing and tested daily for operational.

OPER. OGRID NO. 025575

PROPERTY NO. 012649

POOL CODE 96039

EFF. DATE 2-16-94

API NO. 30-025-12453

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 PERMIT AGENT

DATE 1/10/94

(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

B. Ron Dutton

TITLE

(acting)  
AREA MANAGER

DATE FEB 10 1994

\*See Instructions On Reverse Side

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Yates Petroleum Corporation			Lease Ed Powell "IG" Fed. Com		Well No. 3
Unit Letter I	Section 7	Township 26 South	Range 38 East	County NMPM	Lea
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the East line					
Ground level Elev. 3,024'	Producing Formation STRAWN		Pool WILDCAT STRAWN	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?  
☒ Yes ☐ No If answer is "yes" type of consolidation IS TO BE BY COMMUNITIZATION  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)  
No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

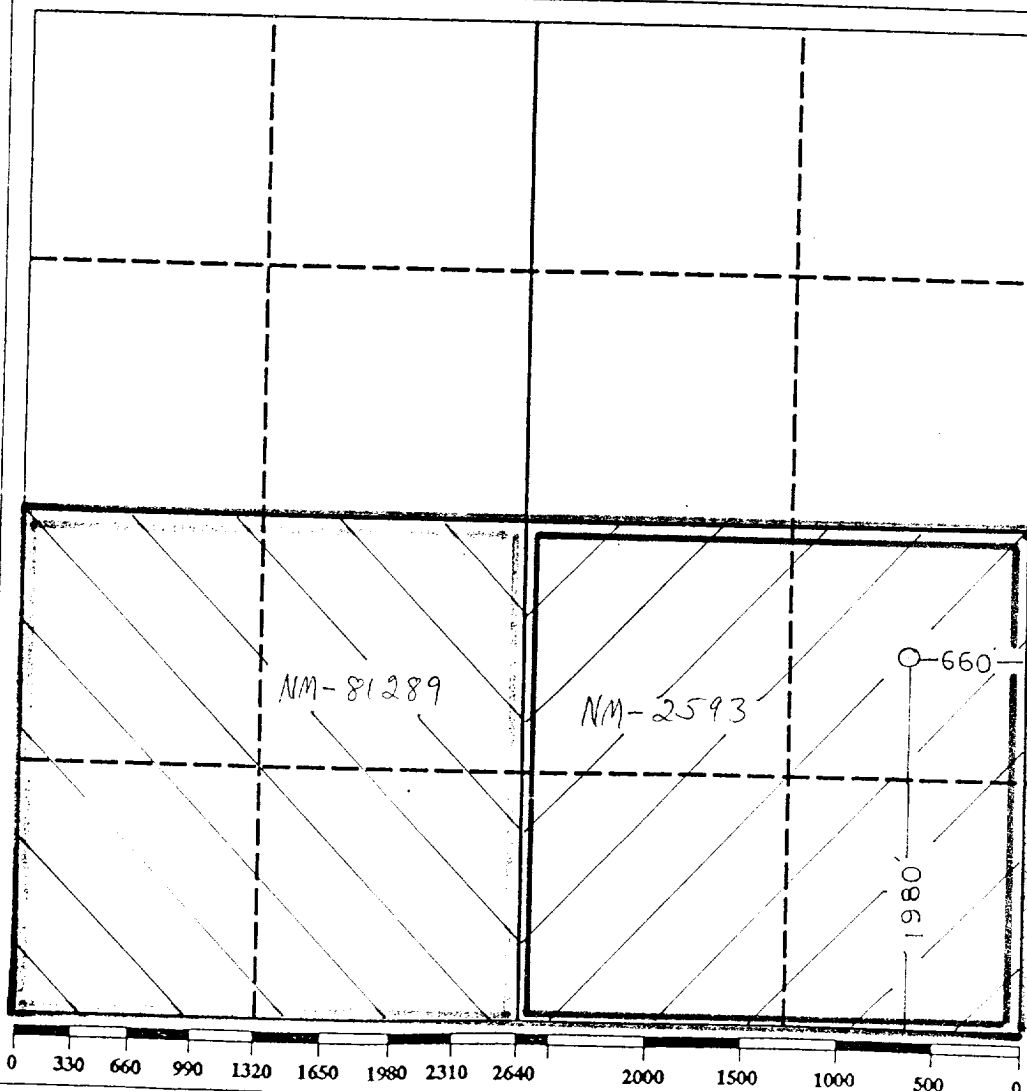
Signature Clifton R. May  
Printed Name  
CLIFTON R. MAY  
Position  
PERMIT AGENT  
Company  
YATES PETROLEUM CORPORATION  
Date  
1/10/94

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed  
REFER TO ORIGINAL PLAT  
Signature & Seal of  
Professional Surveyor

Certificate No.



**YATES PETROLEUM CORPORATION**  
**Ed Powell "IG" Federal Com #3**  
 1980' FSL and 660' FEL  
 Sec. 7-T26S-R38E  
 Lea County, New Mexico

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

Rustler	1135'
Yates	2912'
Queen	3755'
Grayburg	3990'
San Andres	4275'
Glorieta	5542'
Clear Fork	5980'
Tubb	6788'
Strawn	8568'
Atoka	9170'
Barnett	9542'
TD	11137'

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

Water: 350'  
 Oil or Gas: 8568', 9170'

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 3000# 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.

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#	N-40	-	-	0-450'	450' in place
12 1/4"	9 5/8"	36#	J-55	-	-	0-4000'	4000' in place
8 3/4" <sup>535</sup>	5 1/2"	20#	N-80	8RD	LT&C	0-3000'	3000'
8 3/4"	5 1/2"	17#	J-55	8RD	LT&C	3000'-7900'	4900'
8 3/4"	5 1/2"	20#	N-80	8RD	LT&C	7900'-11137'	3237'

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

**B. CEMENTING PROGRAM:**

Surface casing: 13 3/8" casing in place and cement was circulated.

Intermediate Casing: 9 5/8" casing in place and cement was circulated.

Production Casing: Cement with 500 sacks Class "H" cement. Cement volume may change after logs are run. Want to have TOC @ 7000'  $\pm$ .

**5. Mud Program and Auxiliary Equipment:**

Sufficient mud weight for each zone as this is a re-entry.

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: None.

Logging: CNL-LDT, DLL-MSFL, Sonic

Coring: None.

DST's: Possibly run on any shows.

**7. Abnormal Conditions, Bottom hole pressure and potential hazards:**  
Anticipated BHP: 5000#.

Abnormal Pressures Anticipated: None expected.

Lost Circulation Zones Anticipated: None expected.

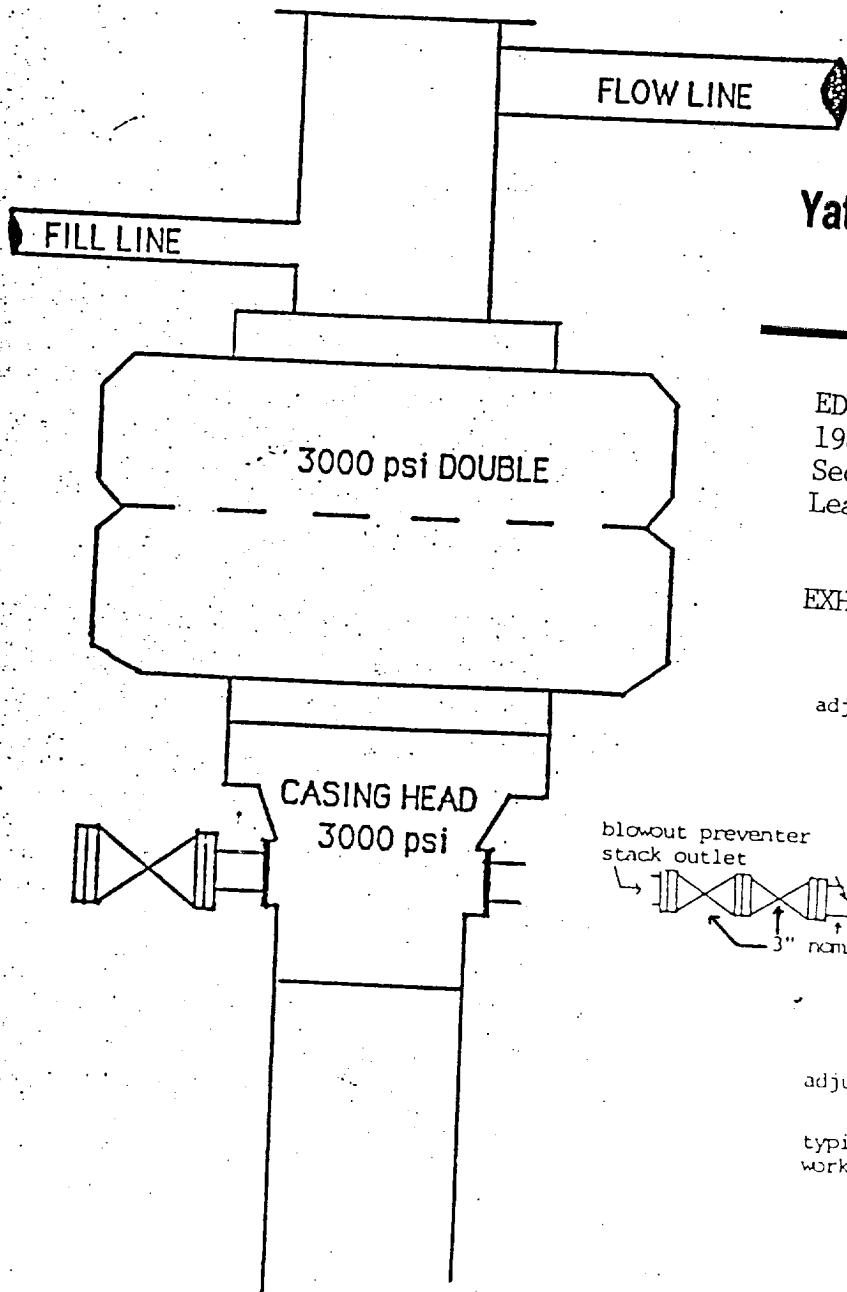
H2S Zones Anticipated: None expected.

Maximum Bottom Hole Temperature: 175 degrees.

**8. ANTICIPATED STARTING DATE:**

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 20 days to drill out the plugs and complete well.

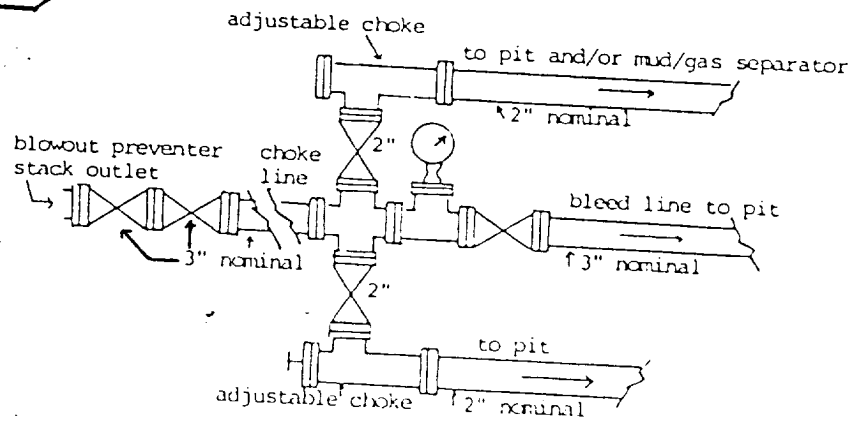
# YATES PETROLEUM CORPORATION



**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

ED POWELL "IG" FEDERAL COM #3  
1980' FSL and 660' FEL  
Section 7-T26S-R38E  
Lea County, New Mexico

## EXHIBIT B



typical choke manifold assembly for 3M rated  
working pressure service-surface installation