Form 3160-3 (July 1992)

edel coms, commission

SUBMIT IN TRIPLICATE. (Other instructions on reverse side)

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

DATE _ B 1 0 105

UNITED STATES						
DEPARTMENT	OF	THE	INTERIOR			

5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT NM-2593 APPLICATION FOR PERMIT TO DRILL OR DEEPEN 6. IF INDIAN, ALLOTTER OR TRIBE NAME 1a. TYPE OF WORK DRILL [DEEPEN 🖾 Re-Entry 7. UNIT AGREEMENT NAME b. TYPE OF WELL WELL WELL X SINGLE Zone MULTIPLE OTHER 2. NAME OF OPERATOR 8. FARM OR LEASE NAME, WELL NO. Ed Powell "IG" Fed. Com #3 Yates Petroleum Corporation 3. ADDRESS AND TELEPHONE NO (505) 105 South Fourth Street, Artesia, New Mexico 748-14 88210 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) 10. FIELD AND POOL, OR Wildcat Strawn Unit Letter I; 1980' FSL and 660' FEL 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA At proposed prod. zone 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Section 7-T26S-R38E 12. COUNTY OR PARISH | 13. STATE 12 miles Southeast of Jal, New Mexico 15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig, unit line, if any) Lea NM 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 2,320 DISTANCE FROM PROPOSED LOCATION[®] TO NEAREST WELL, DRILLING, COMPLE OR APPLIED FOR, ON THIS LEASE, FT. 320 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 11.137' 21. ELEVATIONS (Show whether DF, RT, GR, etc.) Rotary Reverse Unit 22. APPROX. DATE WORK WILL START* <u>3</u>,024' GR 23. PROPOSED CASING AND CEMENTING PROGRAM (SUS)SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH 17 1/2" QUANTITY OF CEMENT 13 3/8" H-40 48# 450 In Place 500 sacks - circulated 12 1/4" 9 5/8" J-55 36# 4000 **'** In Place .050 sacks 8 3/4" 5 1/2" J-55 & 17# & 20# $\overline{ ext{TD}}$ 500 sacks (TIE BACK ABOVE N - 80WOLFCAMP MINIMUM) This well was originally drilled in 1959 by Plymouth Oil Company as their Federal Lowe #1and 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 OPER. OGRID NO. daily for operational. PROPERTY NO. POOL CODE EFF. DATE IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give APLINGENT production deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, at an PERMIT AGENT 1/10/94 (This space for Federal or State office use) APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND 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 correct correct CONDITIONS OF APPROVAL, IF ANY: ATTACHED

*See Instructions On Reverse Side

Section 1991 makes it a prime for any person k

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

DISTRICT I P.O. Box 1980, Hobbs, NM 88240 OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

Male Lotter Section Formation Ed Powell "IG" Fed. Com 3 United Lotter Section Township Range 266 South 38 East NMPM 1980 fest from the South Lea Communicated Producing Formation Producing Formation Producing Formation Producing Formation 1. Outline the across dedicated to the subject well by colored pencil or hardware marks on the plus 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 myshly). 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, uniformation, force-pooling, each 10 for myself "yet" type of consolidation 1. To Ed St. CommunitiZet Test 10 for the more than one lease of different ownership is dedicated to the well which have study been consolidated. (the reverse mide of 10 for myself control and trad descriptions which have study) been consolidated. (the reverse mide of 10 for myself control and trad descriptions which have study) been consolidated. (the reverse mide of 10 for myself control and trad descriptions which have study) been consolidated. (the reverse mide of 10 for myself control and of my homewhates and brief. Signature OPERATOR CERTIFICATION Interest of my homewhates and brief. Signature Product have certify that the well location in the star of my homewhates and brief. Signature Interest certify that the well location in the star of my homewhates and brief. Signature Products have certify that the well location in the star of my homewhates and brief. Signature Signa	Vator Dot			Lease				
Until Later Section Township I 26 South Range County I 26 South Sale East NMPM Lea Co	races rec	roleum Corna	oration	i	11 Uzou			Well No.
Actual Foreage Location of Well: 1.980 feet from the South line and 660 feet from the East line Producing Formation 1.900 feet from the South from the East line Dedicated Acresage: 3.024 STRAWN 1. Culline the acresage dedicated to the multipost well by colored pencil or backure marks on the plat below. 2. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communication, force-pooling, etc.? 3. If answer is "or list the owners and trust descriptions which have statulity been consolidated. (Use reverse and or of the statuling that the statuling been consolidated. (Use reverse that of or homewhat the single statuling with least grow and the descriptions which have statuling been consolidated. (Use reverse that of or homewhat the single statuling that the information is true fact of my homewhat e and belief. 1. If anywer appears to the well until all interests have been approved by the Division. 1. If anywer appears the production of the statuling that the information of the plat was plotted from field not accommendate the statuling of my homewhat e and belief. 1. If anywer appears the plat was plotted from field not accommendate the statuling of my homewhat are appeared to the best of my	Just Letter	Section		Pence	ell IG" Fed	d. Com		3
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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 Yates Queen Grayburg San Andres Glorieta Clear Fork Tubb Strawn Atoka Barnett	1135' 2912' 3755' 3990' 4275' 5542' 5980' 6788' 8568' 9170'
Atoka Barnett TD	9170' 9542'
10	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)

Hole Size	Casing Size	Wt./Ft	<u>Grade</u>	Thread	Couplin	ng <u>Interval</u>	<u>Length</u>
17 1/2" 12 1/4" 8 3 /4" 8 3/4" 8 3/4"	13 3/8" 9 5/8" 5 1/2" 5 1/2" 5 1/2"	48# 36# 20# 17# 20#	N-40 J-55 N-80 J-55 N-80	- - 8RD 8RD 8RD	- LT&C LT&C LT&C	0-450' 0-4000' 0-3000' 3000'-790' 7900'-111	

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

Ed Powell "IG" Federal Com #3 Page 2

В. **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' ±.

Mud Program and Auxiliary Equipment: 5.

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.

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

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

