

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 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 S. Fourth Street, Artesia, New Mexico 88210

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

At surface

330' FNL &amp; 2110' FEL

At proposed prod. zone

Same

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

Approx. 42 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)

330'

## 16. NO. OF ACRES IN LEASE

1480

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.

1500'

## 19. PROPOSED DEPTH

9200'

## 20. ROTARY OR CABLE TOOLS

Rotary

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

3639' GR

## 22. APPROX. DATE WORK WILL START\*

ASAP

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

Cotton Basin

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5# J-55	1200'	950 sx Circulate
11"	8 5/8"	32# J-55 + HC80	4750'	1900 sx Tie Back
7 7/8"	5 1/2"	17# J-55, 15.50# J-55	TD	1135 sx Tie Back

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 1200' of surface casing will be set and cement circulated. Approximately 4750' 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 1200'; Brine to 4750'; cut Brine to TD.

BOPE PROGRAM: BOPE will be installed on the 13 3/8" casing and tested daily for operational.

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

Permit Agent

DATE

7/20/93

(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.) RICHARD L. MANIUS

AREA MANAGER

TITLE

DATE

AUG 20 1993

\*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

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

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., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>COTTON PLACE "ANG" FEDERAL</b>		Well No. <b>2</b>
Unit Letter <b>B</b>	Section <b>10</b>	Township <b>24 SOUTH</b>	Range <b>32 EAST</b>	County <b>NMPM LEA</b>	
Actual Footage Location of Well: <b>2110</b> feet from the <b>EAST</b> line and <b>330</b> feet from the <b>NORTH</b> line					
Ground level Elev. <b>3639</b>	Producing Formation <b>Delaware</b>		Pool <b>Double X Delaware</b>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

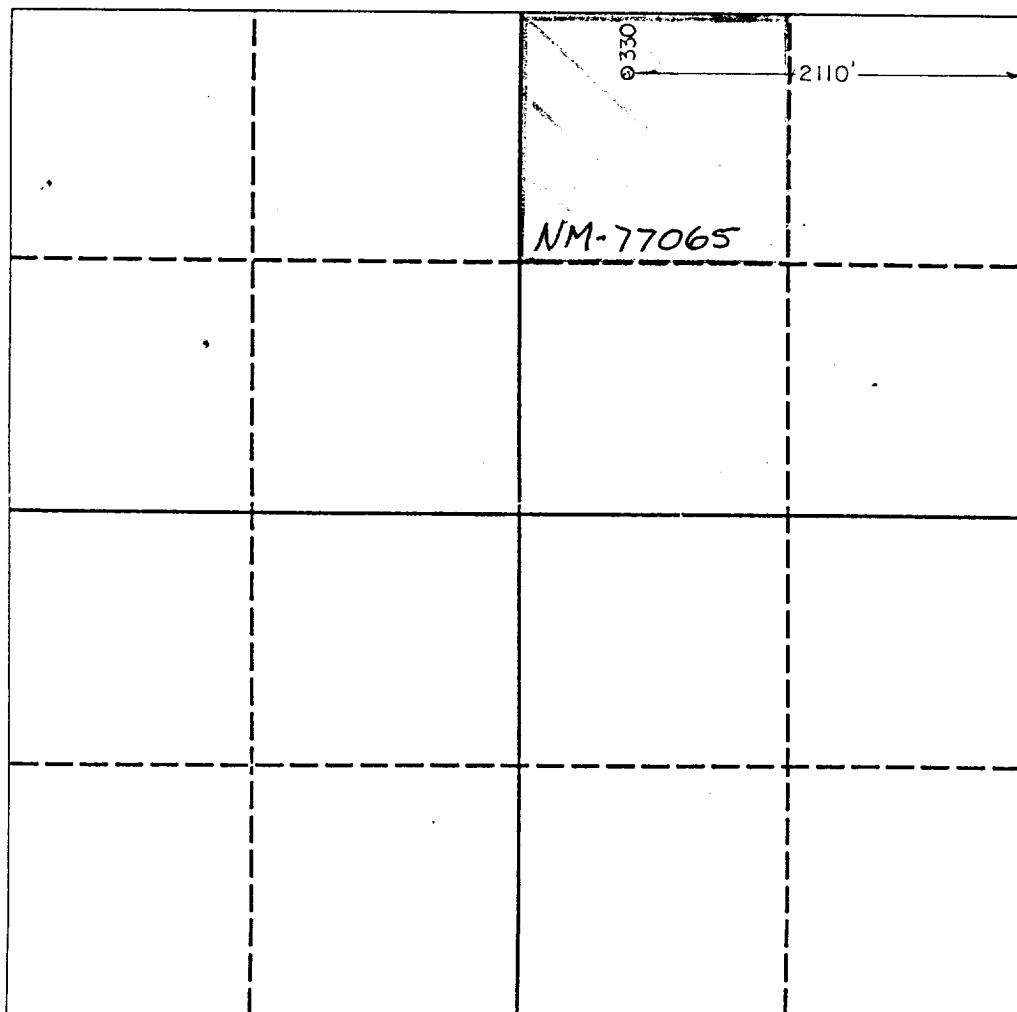
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☒ No If answer is "yes" type of consolidation \_\_\_\_\_

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 communitization, 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 CORP.

Date

7/20/93

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

7/15/93

Signature & Seal of  
Professional Surveyor

*Herschel Jones*  
Herschel Jones  
Certificate No. 640  
REGISTERED LAND SURVEYOR

**YATES PETROLEUM CORPORATION**

Cotton Place "ANG" Federal #2

330' FNL and 2110' FEL

Sec. 10-T24S-R32E

Lea County, New Mexico

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

Rustler	1210'
Base of Salt	4750'
Bell Canyon	4995'
Cherry Canyon	5955'
Brushy Canyon	7786'
Bone Spring	8866'
TD	9200'

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

Water:	250 - 750'
Oil or Gas:	7590' and 8720'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" 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.

**Auxiliary Equipment:**

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment 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	54.50#	J55	8R	ST&C	0-1200'	1200'
11"	8 5/8"	32#	J55	8R	ST&C	0-4200'	4200'
11"	8 5/8"	32#	HC80	8R	LT&C	4200-4750'	550'
7 7/8"	5 1/2"	17#	K55	8R	LT&C	0-1500'	1500'
7 7/8"	5 1/2"	15.50#	J55	8R	LT&C	1500'-6700'	5200'
7 7/8"	5 1/2"	17#	J55	8R	LT&C	6700-9200'	2500'

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

**B. CEMENTING PROGRAM:**

Surface casing: 700 sx. Pacesetter Lite "C" w/ 1/4# Cellocel & 3% CaCl<sub>2</sub> (wt. 12.7 ppg. Yield 1-84 ft<sup>3</sup>) + 250 sx. Class "C" w/ 2% CaCl<sub>2</sub>. (wt. 14.8 ppg., Yield 1.32 ft<sup>3</sup>) Cement calculated to circulate to surface.

Intermediate Casing: 1700 sx. Pacesetter Lite "C" + 10#/sx Salt + 1/4#/sx Celloseal (Yield 1.98, weight 12.8). Tailed with 200 sx "C" + 2% CaCl<sub>2</sub> (Yield 1.32, weight 14.8).

Production Casing: 445 sx "H" + 8 #/sx CSE + 0.6% CF-14 + 5#/sx gilsonite + 0.35% Thriftylite (Yield 1.75, weight 13.6), Tailed with 65 sx "H" + 10% Thixad 8#/sx Hiseal + 10% salt (Yield 1.38, weight 15.5).

2nd Stage: 475 sx Pacesetter Lite "C" + 5#/sx gilsonite + 5#/sx salt + .04% CF-14 (Yield 1.85, weight 12.7). Tailed with 150 sx "H" + 8#/sx CSE + 0.6% CF-14 + 5# sx gilsonite + 0.35% Thriftylite (Yield 1.75 weight 13.6).

**Mud Program and Auxiliary Equipment:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1200'	FW/Gel	8.4 - 8.9	32-36	N/C
1200-4750'	Brine	10.0-10.2	28	N/C
4750-9000'	Cut Brine	8.9 - 9.3	28	< 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.

**i. EVALUATION PROGRAM:**

Samples: Every 10' from surface casing to TD.

Logging: CNL/LDT from TD to casing GR-CNL up to surface; DLL from TD to casing.

Coring: None

DST's: Any tests will be based on the recommendations of the well site geologist as warranted by drilling breaks and shows.

**j. Abnormal Conditions, Bottom hole pressure and potential hazards:**

Anticipated BHP:

From: 0	TO: 1200'	Anticipated Max. BHP: 450	PSI
From: 1200	TO: 4750'	Anticipated Max. BHP: 1685	PSI
From: 4750	TO: 9000'	Anticipated Max. BHP: 3300	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H<sub>2</sub>S Zones Anticipated: None

Maximum Bottom Hole Temperature: 140 F

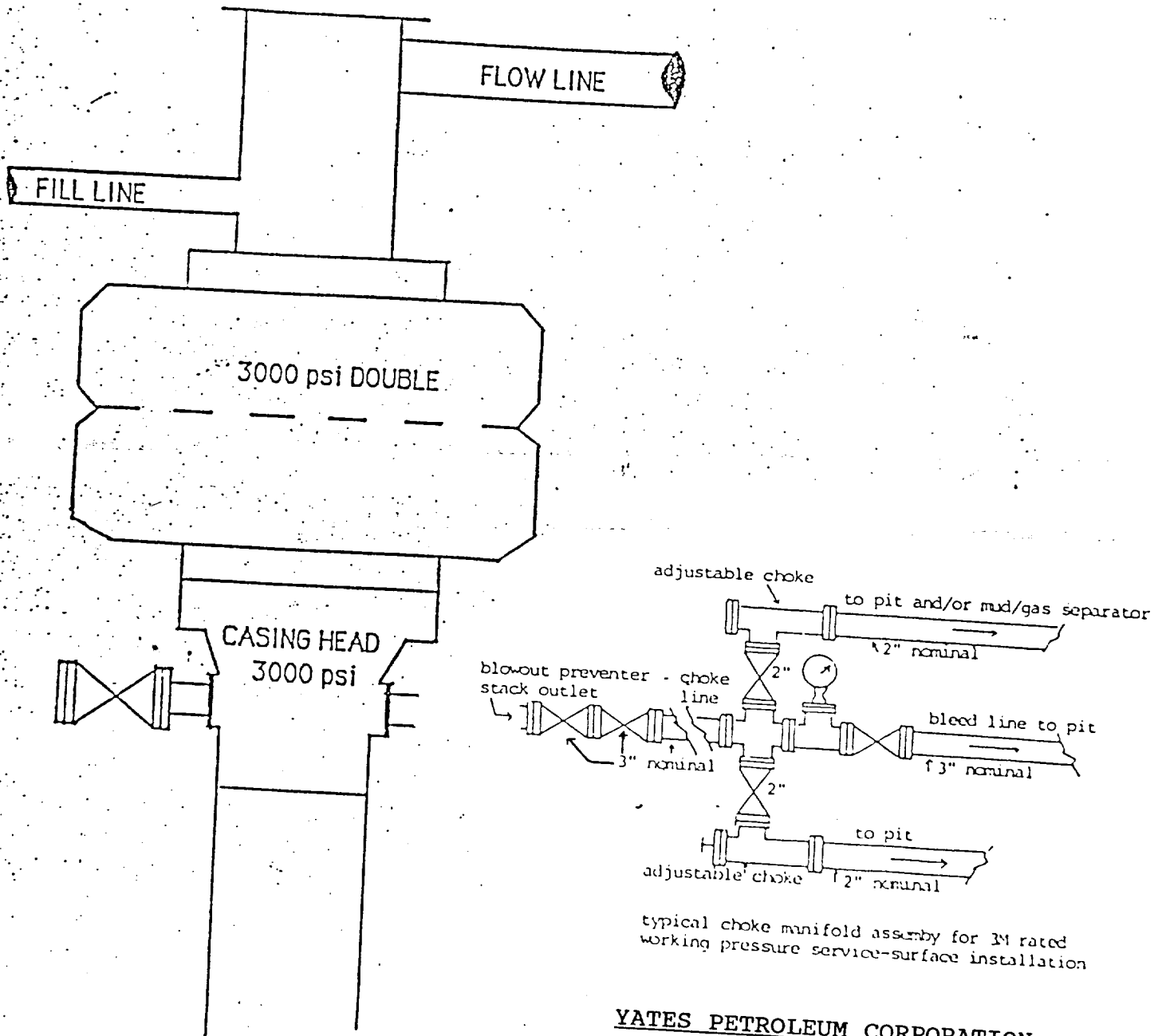
8. ANTICIPATED STARTING DATE:

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.

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YATES PETROLEUM CORPORATION

EXHIBIT B



BLOWOUT PREVENTER  
3M SYSTEM

YATES PETROLEUM CORPORATION

COTTON PLACE "ANG" FEDERAL #2  
330' FNL & 2110' FEL  
Sec. 10-T24S-R32E  
Lea County, New Mexico

BOP DIAGRAM  
EXHIBIT "B"