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DEPARTMENT		6-11-96		5. LEASE DESIGNATION	
BUREAU OF	APINO. 30	-025-33482		NM-6905	
APPLICATION FOR PE	<u>R</u>			6. IF INDIAN, ALLOTTEE	OR TRIBE NAME
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WELL (XX WELL OTHER 2. NAME OF OPERATOR				or the of the test of the week	L NU.
YATES PETROLEUM CORPORATION 3. ADDRESS AND TELEPHONE NO.	······································			9. API WELL NO.	······
105 South Fourth Street, Arte				10. FIELD AND POOL, O	R WILDCAT
 LOCATION OF WELL (Report location clearly and i At surface 	-	-		Wildcat Abo	
	ORTHODOX	olina to Alt oromal		11. SEC., T., R., M., OR E AND SURVEY OR AR	EK.
	LATION:	By State			
Same 14. DISTANCE IN MILES AND DIRECTION FROM NEARI	ST TOWN OR POST OFF	i i		Sec. 20-T265	
Approximately 16 miles SE of				Lea	NM
15. DISTANCE FROM PROPUSED® LOCATION TO NEAREST		NO. OF ACRES IN LEASE		DF ACRES ASSIGNED HIS WELL	
PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)		80		40	
 DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED. 		PROPOSED DEPTH	20. ROTA	RY OR CABLE TOULS	
OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT, GR, etc.)		8500	<u> </u>	Rotary	
2983' GR				22. APPROX. DATE WO ASAP	RE WILL START?
23.				1 //0/11	<u> </u>
	·	ID CEMENTING PROGRAM	vi 		
SIZE OF HOLE GRADE, SIZE OF CASING 14 3/4" 11 3/4" H-40	WEIGHT PER FOOT	1120'	550	SX CIMCULAT	
11" 8 5/8 J-55&HC80		4130'		0 sx	
7 7/8" 5 1/2" J-55&N-8	0 15.5# & 17	.p# 8500'		0 sx	
The Notice of Staking filed Appended to be changed to the Ed and test the Abo and intermedia cemented. 4130' of Intermedia casing will be set to TD, ceme for production.	Powell Unit # ate formation te casing wil nted with ade	 Yates Petrol 1120' of surf be set and cem quate cover, per 	eum Co ace ca ented. forate	rporation plans sing will be se If commercial d and stimulate	to drill et and production ed as needed
with Cut Brine, S	tarch.				
BOPE PROGRAM: 3000 PSI BOPE sy for operational	Astronomica General Inspire Special Clipping Allachad	ll lan Arcan dor asung Istrag			
deepen directionally, give pertinent data on subsurface locations					
SIGNED Clifth R. M.		Regulatory Agen	t	DATE4-29-	-96
(This space for Federal or State office use)	J				
(This space for reserve of State Successe)					
PERMIT NO		APPROVAL DATE			
Application approval does not warrant or certify that the appl CONDITIONS OF APPROVAL, IF ANY:	icant holds legal or equitable	title to those rights in the subject	lease which w	ould entitle the applicant to co	nduct operations thereon.
APPROVED BY /s/Yolando Veria		ISTANT AREA MANA		DATE 5-2	0-96

*See	Instructions	On	Reverse	Side
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Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

District 1 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

1 M Number 1 Pool Code 1 Property Name 1 Number 30-02S-334/82 1 Operator Name 1 1 1 Operator Code 1 Property Name 1 1 1 Operator Name 1 Operator Name 1 1 1 1 Operator Name 1 Operator Name 1 1 1 1 1 Operator Name 1 Operator Name 1	r			ELL LC	CATIO	N AND .	ACI	REAGE DEDI	CATION P	LAT		
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YATES PETROLEUM CORPORATION Ed Powell Unit #1 1250' FSL and 900' FEL Sec. 20-T26S-R38E Lea County, New Mexico

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

Rustler Salt	1100' 1180'
Base of Salt	2570'
Yates	2755'
Penrose	3680'
San Andres	4130'
Glorieta	5350'
Bline Berry	5815'
Tubb	6740'
Drinkard	6740'
Abo	7800'
TD	8500'

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

Water: 300' - 400' Oil or Gas: 7800'

- 3. Pressure Control Equipment: BOPE will be installed on the 11 3/4" 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.
- 4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Progr	am: (All New)
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<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	Interval I	<u>ength</u>
14 3/4"	11 3/4"	42#	H-40	8RD-	ST&C	0-1120'	1120′
11″	8 5/8"	32#	J-55	8RD	ST&C	0-4000'	4000'
11″	8 5/8"	32#	HC-80	8RD	ST&C	4000-4130	130'
7 7/8″	5 1/2"	17#	N-80	8RD	LT&C	0-3500'	3500'
7 7/8″	5 1/2″	17#	J-55	8RD	LT&C	3500-5000	0′ 1500′
7 7/8″	5 1/2"	15.5#	J-55	8RD	LT&C	5000-6100	D' 1100'
7 7/8″	5 1/2″	17#	J-55	8RD	LT&C	6100-8000	0' 1900'
7 7/8″	5 1/2″	17#	N-80	8RD	LT&C	8000-8500)' 500'

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

B. CEMENTING PROGRAM:

Surface casing:300 sx PSL "C" w 1/4# Cellocel, 3% CaCl2, wt. 12.4 pg, yld 1.84. 250 C w 2% CaCl2 wt. 14.8, yld 1.32.

SALT Intermediate Casing:800 sx Pacesetter Lite C w/1/4# Cellocel, 10# Slat. Tail in w/250 sx. "C" w/2% CaCl2, wt. 14.8, yld 1.32.

Production Casing: Approximately 750 sx Pacesitter Lite "C" w/5# Gilsoinite, 5# Slat, 0.4% CF-14 wt. 12.7 yld 1.84. Tail in with 150 sx "H" w/8# CSE, 5# Golsonite, 6/10% CF-14 .35% Thriftylite wt. 13.6 yld 1.75

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	Viscosity	Fluid Loss
Spud to 1120'	FW Gel Paper, LCM	8.6-9.6	32 - 36	N/C
1120' to 4130'	Brine	10.0-10.2	28	N/C
4130' to 8500'	Cut Brine, Starch	8.9-9.1	29-32	∠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' from surface to 2500', 10' from 2500' to TD.
 Logging: CNL-LDT, TD to CSG w/GR CNL to Surface; DLL w/RXO TD to CSG; BHC Sonic TD to CSG
 Coring: None.
 DST's: As Warranted.

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

From:	0	To:	1120′	Anticipated Max. BHP:	250 PSI
From:	1120	To:	4130′	Anticipated Max. BHP;	2062 PSI
From:	4130	To:	8500′	Anticipated Max. BHP	4000 PSI

Abnormal Pressures Anticipated: None expected.

Lost Circulation Zones Anticipated: None expected.

H2S Zones Anticipated: None expected.

Maximum Bottom Hole Temperature: 128 degrees.

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 15 days.

YATES DETROLEUM CORPORATION

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



typical choke manifold assumby for 14 rated working pressure service-surface installation

EXHIBIT B

THE FOLLOWING CONSTITUES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

- All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- 2. Choke outlet to be a minimum of 3" diameter.
- 3. Kill line to be of all steel construction of 3" minimum diameter.
- All connections from operating manifolds to preventers to be all steel. Hole or tube to be a minimum of one inch in diameter.
- 5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- 6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- 7. Inside blowout preventer to be available on rig floor.
- Operating controls to be located a safe distance from the rig floor.
- 9. Hole must be kept filled on trips below intermediate casing.