

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OPER. OGRID NO. a 575  
PROPERTY NO. 18793  
POOL CODE 51683  
EFF. DATE 10/17/96  
API NO. 30-025-33629

FORM APPROVED  
OMB NO. 1004-0136  
Date: February 28, 1995  
DESIGNATION AND SERIAL NO.  
1074  
AN, 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 St. Artesia, NM 88210 (505) 748-1471

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

1650' FNL and 2310' FWL, Unit Letter F  
At proposed prod. zone  
Same

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

41 miles Northwest of Jal, New Mexico

10. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drig. unit line, if any)

16. NO. OF ACRES IN LEASE

479.25

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

9200'

20. ROTARY OR CABLE TOOLS

Rotary

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

3740' GR

22. APPROX. DATE WORK WILL START\*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	11 3/4"	42#	1270'	900 sacks circulated
11"	8 5/8"	32#	4810'	1750 sacks (tie back)
7 7/8"	5 1/2"	15.5# & 17#	TD	1050 sacks (tie back)

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 1270' of surface casing will be set and cement circulated. Approximately 4810' of intermediate casing will be set and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW/Gel to 1270'; Brine to 4810', Cut Brine, Starch to TD..

BOPE PROGRAM: BOPE will be nipped up on the 11 3/4" casing and tested daily for operational.

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 9-10-96

(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

/s/ JOAN R. FLOREZ

TITLE

Acting Area Manager

DATE

OCT 8 1996

\*See Instructions On Reverse Side

District I  
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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33629		Pool Code 51683	Pool Name REO TANK BONE SPRING
Property Code 18793	Property Name THYME "APY" FEDERAL		Well Number 6
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3740

10 Surface Location

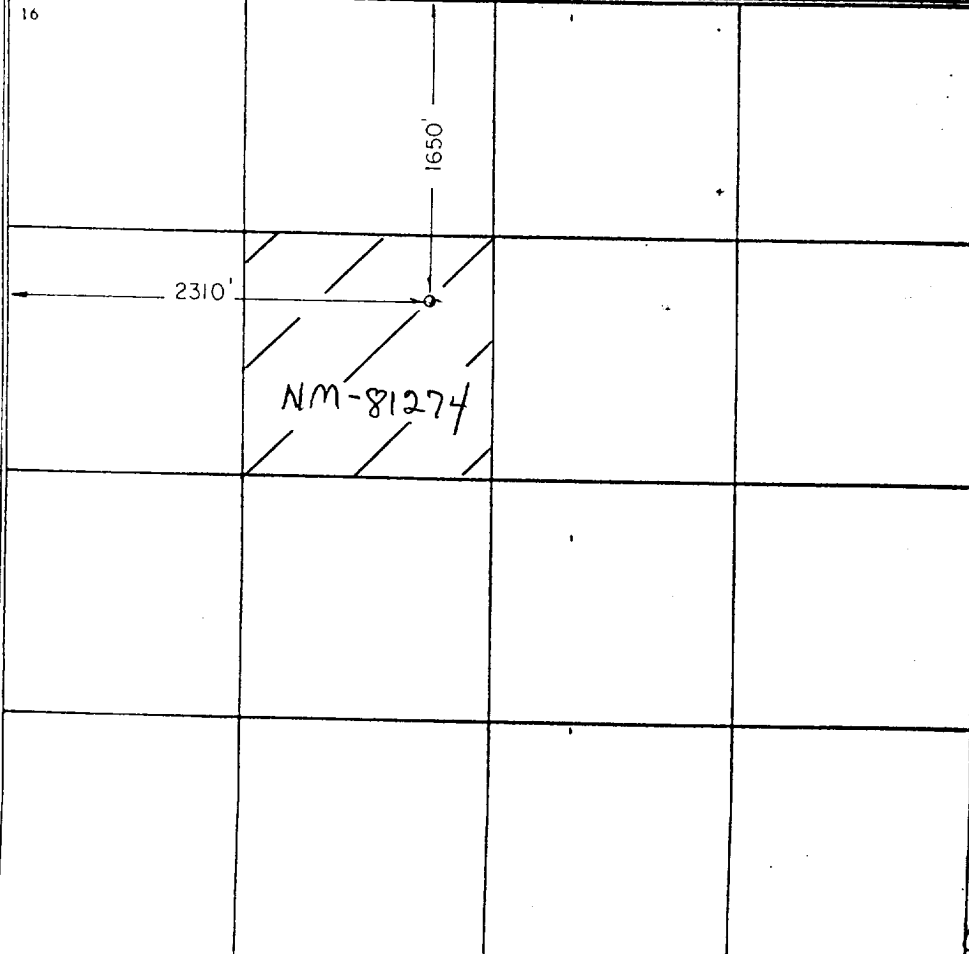
UL or lot no. F	Section 1	Township 23S	Range 32E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 2310	East/West line WEST	County LEA
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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>16</p> 	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i> Signature Clifton R. May Printed Name Regulatory Agent Title 9-10-96 Date</p>
	<p>18 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>9/10/96 Date of Survey HERSCHEL L. JONES Signature and Seal NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 3640 Certificate Number</p>

**YATES PETROLEUM CORPORATION**  
**THYME "APY" FEDERAL #6**  
**1650' FNL AND 1650' FWL**  
**SECTION 1-T23S-R32E**  
**LEA COUNTY, NEW MEXICO**

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

Rustler	1260'	Bone Spring	8800'
Top of Salt	1295	TD	9200'
Bottom of Salt	4680'		
Delaware	4968'		
Cherry Canyon	5990'		

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

Water: 250-750  
Oil or Gas: 8800'

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>
14 3/4"	11 3/4	42#	J55	8R	ST&C	0-1270'	1270'
11"	8 5/8	32#	J55	8R	ST&C	0-4200'	4200'
12 1/4"	8 5/8	32#	HC80	8R	ST&C	4200-4810'	610'
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	8500-9200'	700'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80

## THYME "APY" FEDERAL #6

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### B. CEMENTING PROGRAM:

Surface casing: 550 sx. Pacesetter Lite "C" w/ 1/4# Cellocel & 3% CaCl<sub>2</sub> (wt. 12.4 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: 1500 sx. Pacesetter Lite "C" w/ 1/4# Cellocel + 3% CaCl<sub>2</sub>. (wt. 14.8 ppg. Yield 1.32 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.

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 ft<sup>3</sup>) 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 ft<sup>3</sup>) + 150 sacks "H" w/0.5% Cf-14 (wt. 13.6 ppg Yield 1.78 ft<sup>3</sup>). 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>
0-1170'	FW Gel, Paper. LCM	8.6 - 9.6	32-36	N/C
1170'-4810'	Brine	10.0-10.2	28	N/C
4810'-6500'	Cut brine,	8.9 - 9.1	28	N/C
6500'-9200'	Cut brine, Starch +	8.9 - 9.1	30-33	<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 20' from surface to 4000', 10' from 4000' to TD.

Logging: CNL/LDT from TD to casing with GR-CNL up to surface; DLL w/RXO from TD to casing; CMR over selected intervals

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

**THYME "APY" FEDERAL #6**  
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7. Abnormal Conditions, Bottom hole pressure and potential hazards:  
Anticipated BHP:
- |            |          |                            |     |
|------------|----------|----------------------------|-----|
| From: 0    | TO: 1170 | Anticipated Max. BHP: 250  | PSI |
| From: 1270 | TO: 4810 | Anticipated Max. BHP: 2062 | PSI |
| From: 4810 | 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.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Yates Petroleum Corporation  
THYME "APY" FEDERAL #6  
1650' FNL AND 2310' FWL  
SECTION 1-T23S-R32E  
LEA COUNTY, NEW MEXICO**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

### **1. EXISTING ROADS:**

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 41 miles Northwest of Jal, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

#### **DIRECTIONS:**

Go east of Carlsbad on Hwy 285 to Hwy 31. Go east on Hwy 31 to Hwy 128 (Jal Hwy). Go approximately 17 miles to a major pipeline road. Turn left and go approx. 5.7 miles. Turn left (NW) and go approx. 1.4 miles and turn right. Go approx. 3.1 miles. Go approximately 1 mile east to Thyme #1 location. Turn south to the Thyme #2 location. new ccess will start here.

### **2. PLANNED ACCESS ROAD**

- A. The proposed new access will be approximately 1000' in length from the point of origin to the southeast corner of the drilling pad. The road will lie in a(n) westerly direction west 1000'.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. No traffic turnout will be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

### **3. LOCATION OF EXISTING WELL**

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.
- C. A 3" steel flowline will be laid on the surface following the access road to the tank battery on the #1 location.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Federal pit located in the NE of Section 15-T23S-R32E

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP: Federal surface administered by BLM.

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE

- A. Through A.P.D. Approval:

Clifton R. May, Regulatory  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

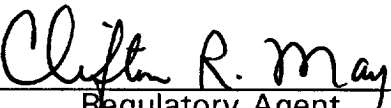
- B. Through Drilling Operations,  
Completions and Production:

Brian Collins, Operations Manager  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

14. CERTIFICATION:

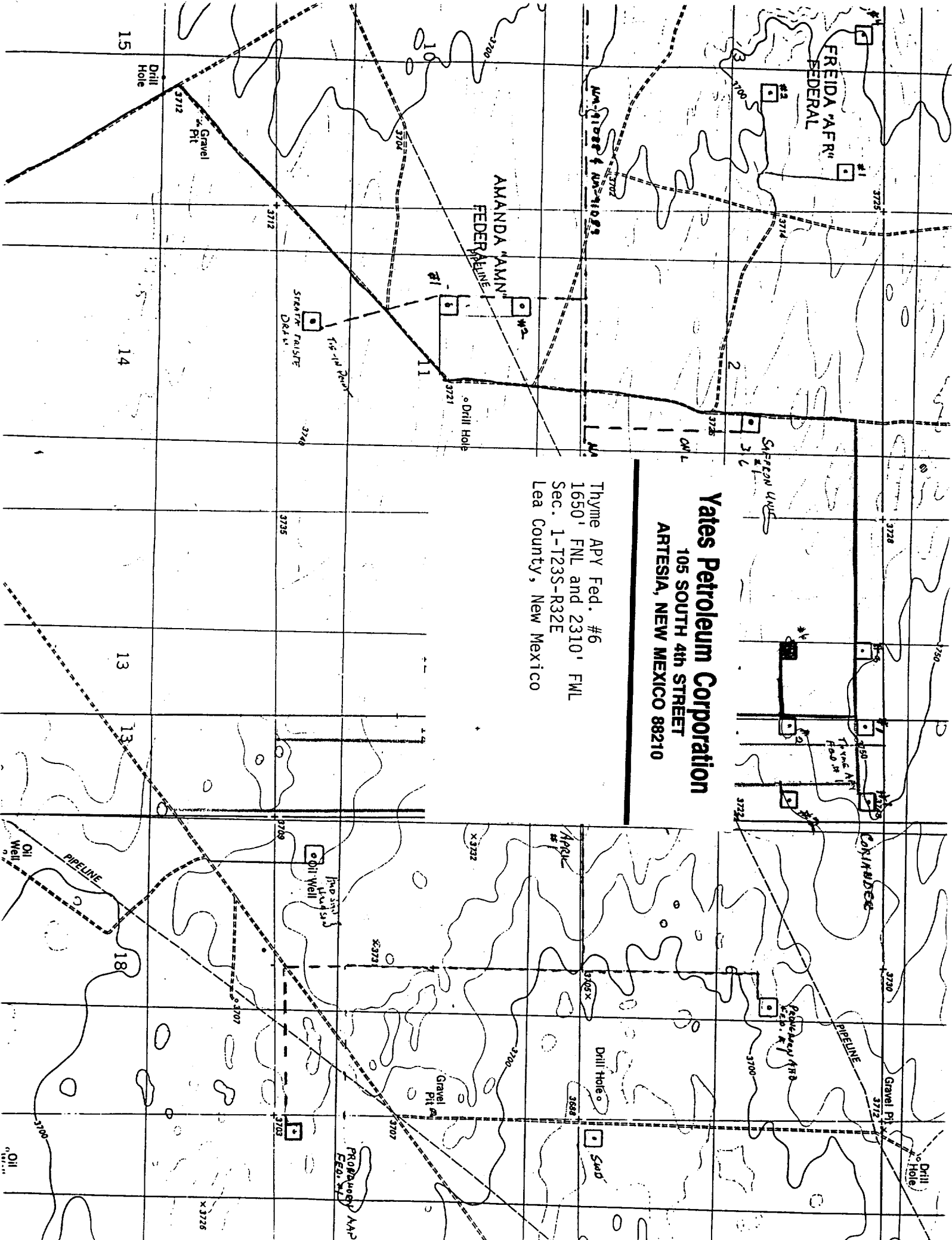
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

9/10/96 Date

  
Regulatory Agent

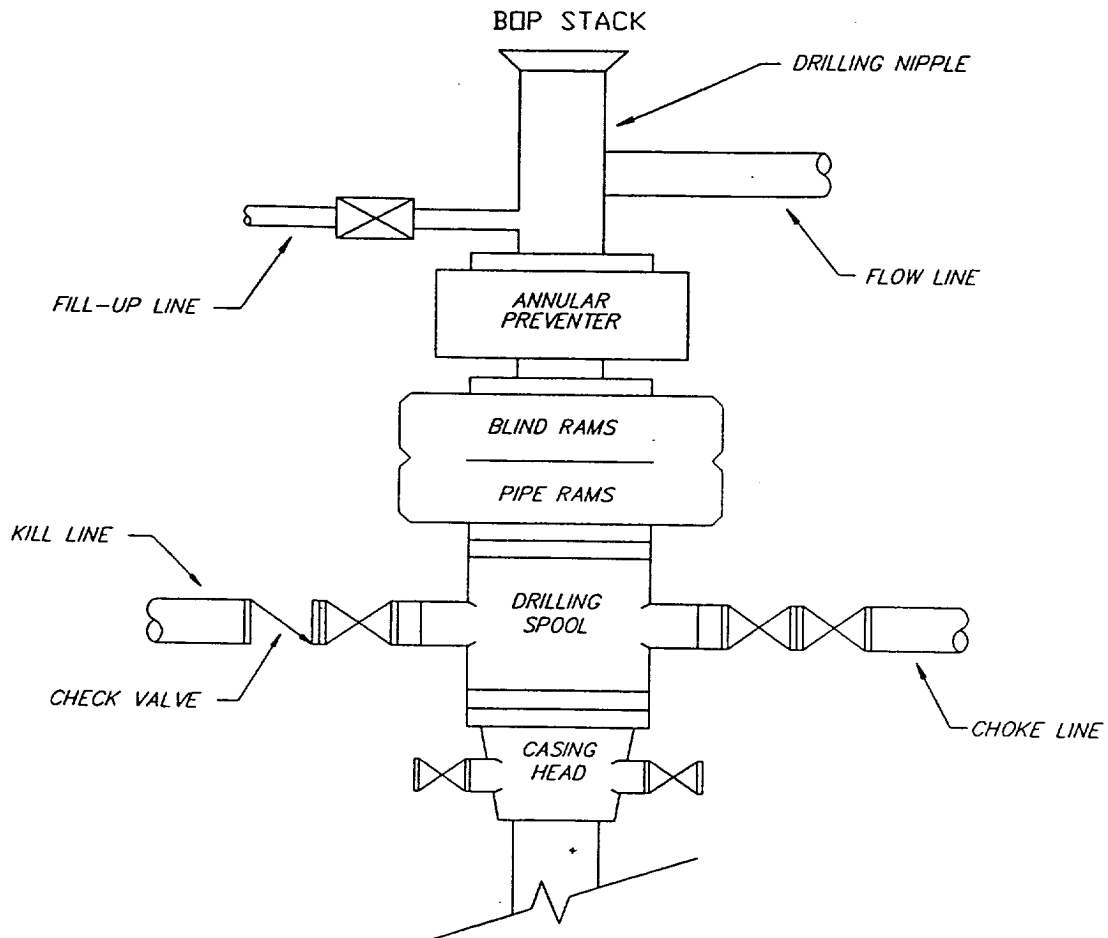
**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

Thyme APY Fed. #6  
1650' FNL and 2310' FNL  
Sec. 1-T23S-R32E  
Lea County, New Mexico

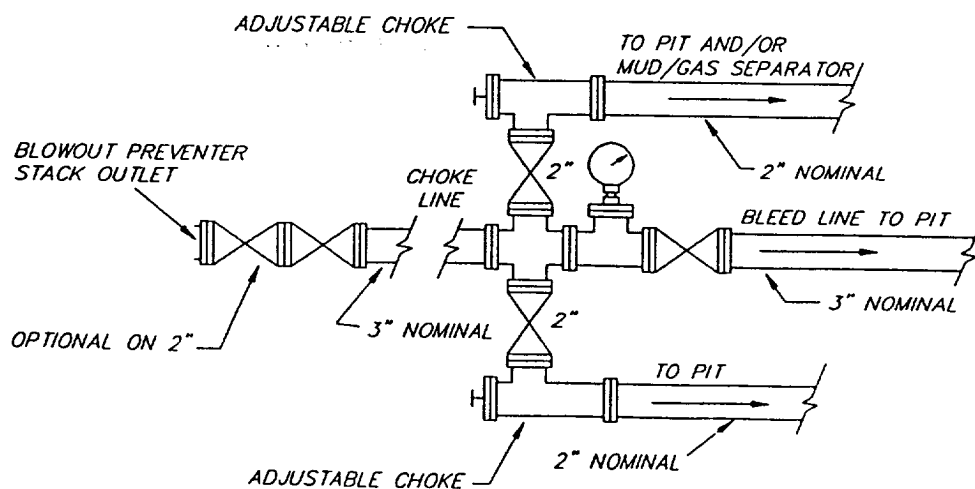


# YATES PETROLEUM CORPORATION

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

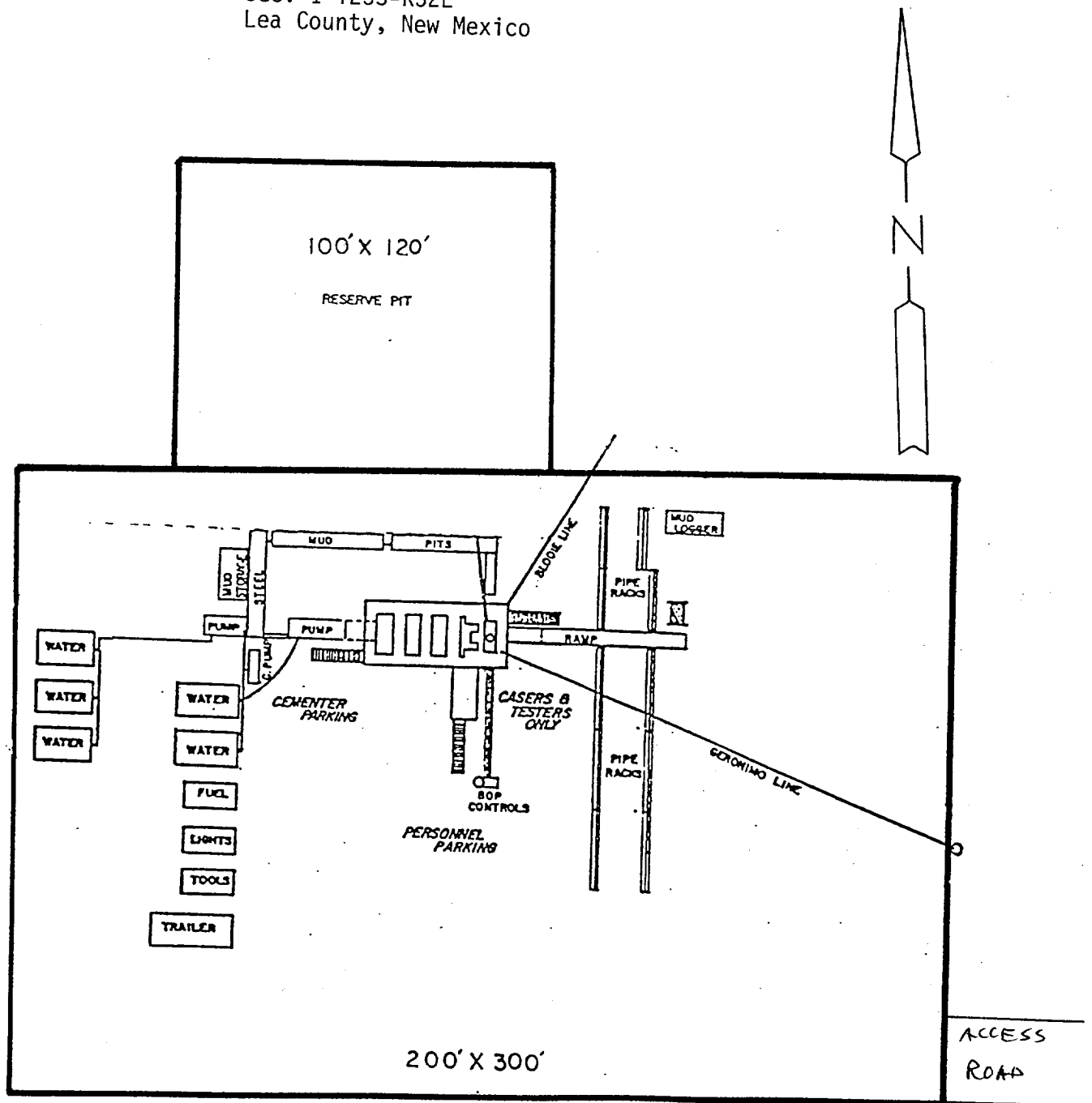


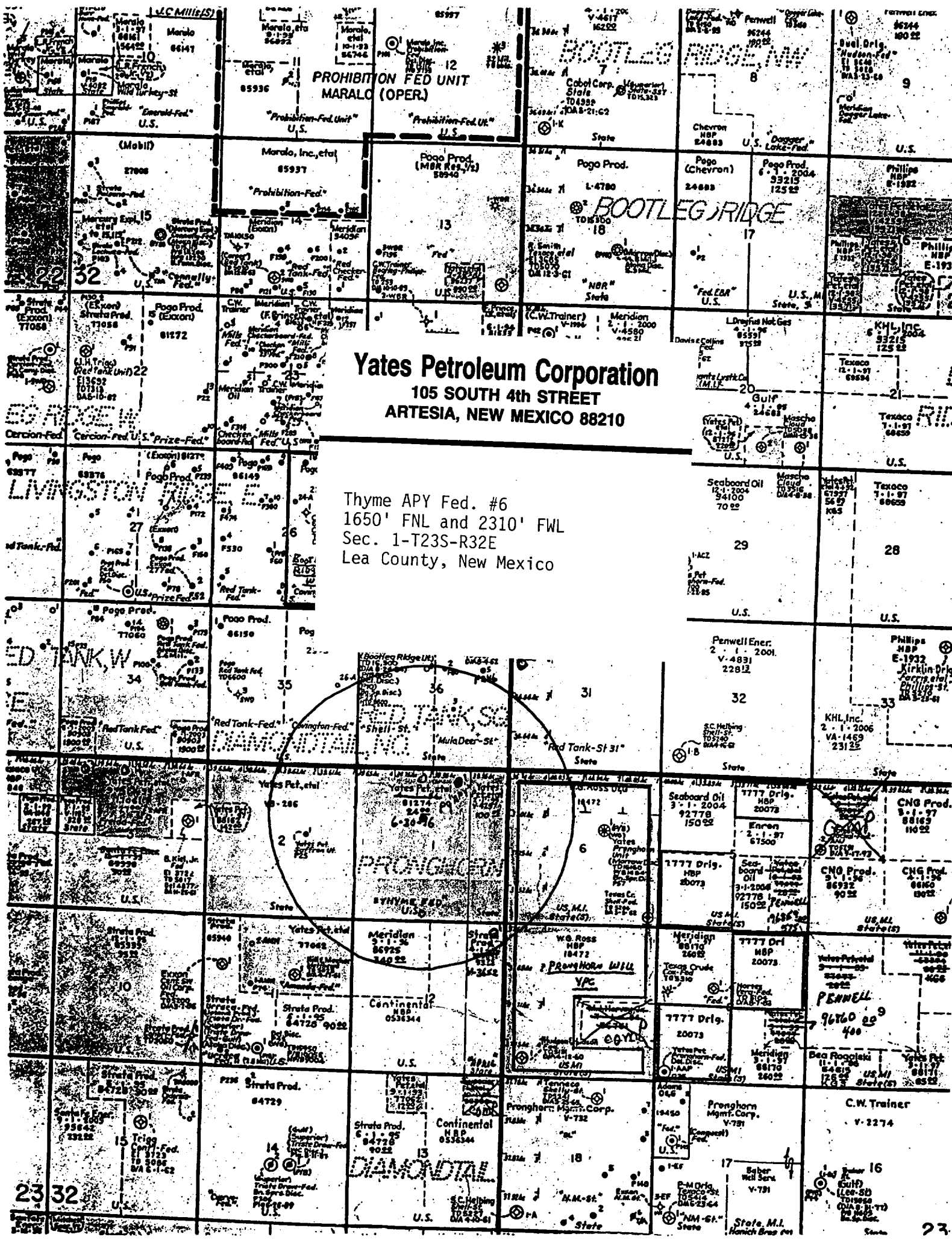
## TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



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

Thyme APY Fed. #6  
1650' FNL and 2310' FWL  
Sec. 1-T23S-R32E  
Lea County, New Mexico





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

Thyme APY Fed. #6  
1650' FNL and 2310' FWL  
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Lea County, New Mexico