N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue Artesia, NM 88210

Form 3160-3		Ola, Teles	OUL IV		0	
(August 1999)					OMB No. 1004-0	0136
UNITED	STATES	S	DEC	EIVED	Expires November 3	0, 2000
DEPARTMENT O	THE I	NTERIOR	NECE	=IVED	5. Lease Serial No.	
BUREAU OF LANG			APR 1	4 2004	NM-28297	7
					6. If Indian, Allottee or Tribe	
APPLICATION FOR PERMI	T TO DI	RILL OR REEM	NTERED-A	RTESIA	Not Applica	
					7. If Unit or CA Agreement,	
1a. Type of Work: X DRILL	RE	ENTER		:	_	
					Not Applica	ble
🗖 🗖 . 🗖		□ a.	. 🖼	M 10 1 7	8. Lease Name and Well No.	
b. Type of Well: Oil Well Gas Well Well	Other		ngle X	Multiple Zone	Everette OO Federa	l Com. #10
2. Name of Operator	l				9. API Well No.	,
Yates Petroleum Corporation			-		30-005-63	
3A. Address 105 South Fourth Street	İ	3b. Phone No. (inc	lude area code	e)	10. Field and Pool, or Explora	atory
Artesia, New Mexico 88210		(50	5) 748-147	1	Wildcat Precar	nbrian
4. Location of Well (Report location clearly and in accordance	e with any	State requirements	.*)		11. Sec., T., R., M., or Bik, ar	nd Survey or Area
At surface 1980' FN	and17	'80' FWL, Uni	t F			
At proposed prod. Zone		as above			Section 26-T5S	S-R24E
14. Distance in miles and direction from nearest town or post		<u> </u>			12. County or Parish	13. State
Approximately forty-two (42) miles northea	st of R	nswell New M	lexico		Chaves County	NM
15. Distance from proposed*	31 01 11	16. No. of Acres i		17. Spacing Ur	nit dedicated to this well	1 1000
location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)						
	<u></u>	1040	-	20 BLM/DIA	320 - N 1/2 Bond No. on file	
 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1320 	-/-	19. Proposed Dep 5260		20. BLM/BIA	NM-2811	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)		22. Approximate	date work will	start*	23. Estimated duration	
3978' GL	ASAP				30 Days	
		24. Attachm	nents			
The following, completed in accordance with the requirements	of Onshor	e Oil and Gas Order	No. 1, shall be	attached to this	form:	
Well plat certified by a registered surveyor.	ĺ	4.	Rond to cove	r the operations	unless covered by an existing b	and an file (see
A Drilling Plan.	•	7.		_	unicas covered by an existing b	ond on the (see
_			Item 20 abov	•		
3. A Surface Use Plan (if the location is on National Forest Sy	1		Operator certi			
SUPO shall be filed with the appropriate Forest Service Off	ice.	6.	Such other sit authorized off	-	ation and/or plans as may be req	uired by the
25. Signature (1) 1/4 (1) 1/4 (1)	 	Nome /P-	inted/Typed)		Date	
25. Signature Claster R. May		Clifton			Date	2/4/04
email: debbiec@ypcnm.dom		Cilitori	K. Way			3/4/04
Title:Regulatory Agent						
11 (0)		Name (Pr	inted/Typed)		Date	
Approved by (Signature) /SILAFIRY D. BRAY			/S/LARP	Y D. BAA	Y APF	R 13 2004
Title Assistant Field Manage	er,	Office			A 2000 0 1 1111	
Lands And Minerals			KOSWELL	FIELD OFFI	CE AFFROVE	FOR 1 YEAR
Application approval does not warrant or certify that the application	ant holds	legal or equitable tit	le to those righ	ts in the subject	ease which would entitle the app	plicant to conduct
operations thereon.						
Conditions of approval, if any, are attached.						
Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212					ike to any department or agency	of the United
States any false, fictitious or fraudulent statements or represent	tations as t	o any matter within	its jurisdiction			

*(Instructions on reverse)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED District I

1625 N. French Dr., Hobbs, NM 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

1220 S. St. Francis Dr., Santa l	Fe, NM 87505		AMENDED REPORT
	WELL LOCATION AN	D ACREAGE DEDICATION PLAT	
¹ API Numbe	er ² Pool Code	³ Pool Name	
		Wildcat Precambria	n
⁴ Property Code		⁵ Property Name	Well Number
	Everette	OO Federal Com.	10
⁷ OGRID No.		⁸ Operator Name	⁹ Elevation
025575	Yates Pet	roleum Corporation	3978'

¹⁰ Surface Location UL or lot no. Township Feet from the North/South line Feet from the East/West line Section Range Lot Idn County 26 5\$ **24E** 1980 North 1780 West Chaves F 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 ¹³ Joint or Infill Dedicated Acres ¹⁴ Consolidation Code ¹⁵ Order No. 320-N/2

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A

	NON-STAND	ARD UNIT TIAB BEEN	APPROVED BY THE DIVISION
	1980'	FEE	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature
1780'		NM-28297	Cliffon R. May Printed Name Regulatory Agent Title 03/02/2004 Date
			18 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 belief. REFER TO ORIGINAL PLAT
			Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV. 2040 South Pacheco, Santa Fe, NM 87505

Revised March 17, 1999 instruction on back Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API	Number			Pool Code		Pool Name				
						Wild	rian			
Property (Code			Property Name					Well Number	
				EVEI	RETTE "OO" FED	ERAL COM.	10	10 ·		
OGRID No.					Operator Nan	Elevation				
025575	j	İ	YATES PETROLEUM CORPORATION 3978							
					Surface Loc	ation				
UL or lot No.	Section	Township	Bange	Lot ldn	Peet from the	North/South line	Feet from the	East/West line	County	
F	26	55	24E		1980	NORTH	1780	WEST	CHAVES	
			Bottom	Hole Lo	cation If Diffe	erent From Sur	face			
UL or lot No.	Section	Township	Bange	Lot ldn	Feet from the	North/South line	Feet from the	East/Vest line	County	
Dedicated Acre		or Infill Co	naolideálea		der No.	<u> </u>		<u> </u>	<u> </u>	
	- Joint	A IMPLIE		Come	der No.					
320-N ¹ / ₂										
NO ALLO	WABLE 1	WILL BE AS	SSIGNED	to this	COMPLETION 1	INTIL ALL INTE	RESTS HAVE BI	een consolid	ATED	

OD A NON-STANDARD LINIT HAS DEEN ADDROVED BY THE DIVISION

OR A NON-SIMUMAN UNII HAS BEEN AFFACVED DI THE DIVISION						
	0 (1980)	FEE	• 0	OPERATOR CERTIFICATION I hereby certify the the information contested herein is true and complete to the best of my knowledge and belief. Cliffe R. May		
1780' —	3984 3978 3979 3975 N.33°50'42.1" W.104°23'46.1"	NM-28297		Clifton R. May Printed Name Regulatory Agent Title 1/31/02 Date 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 supervison, and that the same is true and correct to the best of my belief.		
				Date Strythist. L. Signification Statestar (D. 1977) Professorial Statestar (D. 1977) Certification Management. Jones RLS 3640 EVER TIL 40 GENERAL SURVEYING COMPANY		

YATES PETROLEUM CORPORATION

Everette "OO" Federal Com. #10 1980' FNL and 1780' FWL Section 26-T5S-R24E Chaves County, New Mexico

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

San Andres	640'
Glorieta	1490'
Yeso	1615'
Tubb	3015'
Abo	3660'
Wolfcamp	4320'
Basement - Granite	5160'
TD	5260'

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

Water:

150'-800'

Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 11 3/4" casing and rated for 2000 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>	Casing Size	Wt./Ft	<u>Grade</u>	Coupling	Interval
14 3/4	11 3/4"	42#	H-40	ST&C	0-900- 1000
11	8 5/ 8"*	24#	J-55	ST&C	0-1500'
7/7/8"	5 1/2 "	15.5#	J - 55	ST&C	0-5260'

^{*8 5/8&}quot; will only be set if lost circulation is encountered

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

2. Yates Petroleum Corporation requests that a variance be granted in requiring the casing and BOPE to be tested to 2000 PSI to testing the casing and BOPE to 1000 PSI. The rig pumps will be used to test the casing and BOPE. Rig pumps used in this area cannot safely test above 1000 PSI. We would have to go to the greater expense of hiring an independent service to do the testing. Also, the bottom hole pressure in this field is proven to be near 1000 PSI. Pressure at the surface is much less. We feel that a 1000 PSI test will demonstrate that the BOPE is functioning properly, and in the unlikely event of a gas influx that the BOPE would be sufficient to control the well.

Everette "OO" Federal Com #10 Page 2

A. CEMENTING PROGRAM:

Surface Casing: 200 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C" + 2% CaCL2 (YLD 1.32 WT 15.6).

Intermediate Casing: 250 sx Lite (YLD 2.0 WT 12.0) Tail in with 200 sx Class C+2% CACL2 (YLD 1.32 WT 14.8)

Production Casing: 350 sx Super C (YLD 1.67 WT 13.0). TOC 3100'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0-900'	FW GEL,Paper,LCM	8.6 - 9.0	32-36	N/C
900'-1500'	Cut Brine	8.6 - 9.0	29	N/C
1500'-3630'	Brine	10 - 10.2	28	N/C
3630'-5260'	Salt Gel/Starch/Oil/LCM	9.0 - 9.8	34-45	<10/cc

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: 10' samples out from under surface casing.

Logging: Platform Express CNL/LDT, W/NGT TD -Surf csg; with GR/CNL up to Surf:

DLL/MS FL TD-Surf csg; BHC Sonic TD-Surf csg

Coring: None

DST's: As warranted.

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:

Anticipated BHP:

From: 0 TO: 900' Anticipated Max. BHP: 375 PSI From: 900' TO: 5295' Anticipated Max. BHP: 2500 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 110 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 25 days to drill the well with completion taking another 20 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN YATES PETROLEUM CORPORATION

Everette "OO" Federal Com #10 1980' FNL and 1980' FWL

Section 26-T5S-R24E Chaves 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.

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 well site is located approximately 42 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go north of Roswell, NM on 285 approx. 25 miles from the intersection of 70 & 285 to Dona Anna Road. Turn east on Dona Anna and go approx. 10.6 miles. The new road will start here and go SE for approx. 0.2 of a mile to the SW corner of the pad.

PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 1300' in length from the point of origin to the southeast corner of the pad. The road will lie in a southeasterly direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. Existing roads will be maintained in the same or better condition as they are now.

3. LOCATION OF EXISTING WELL:

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

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.

Everette "OO" Federal Com. #10 Page 2

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:

Dirt contractor will locate nearest pit and obtain any permits and materials needed for construction.

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 landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: This APD is being used to apply for the on lease flow line from this well to the tie-in point on the Everette "OO" Fed. #3 location in the NENE of Section 26-T5S-R24E. A map of the proposed pipeline is included as Exhibit "E".

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 well site 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.

Everette "OO" Federal Com. #10

11. SURFACE OWNERSHIP:

Miller Living Trust 12600 Paseo Cerro Saratoga, CA 95075

Yates and the private surface owners have agreed as to the operations to be conducted on this well.

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.

В.

B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE:

A. Through A.P.D. Approval:
Clifton R. May, Regulatory Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

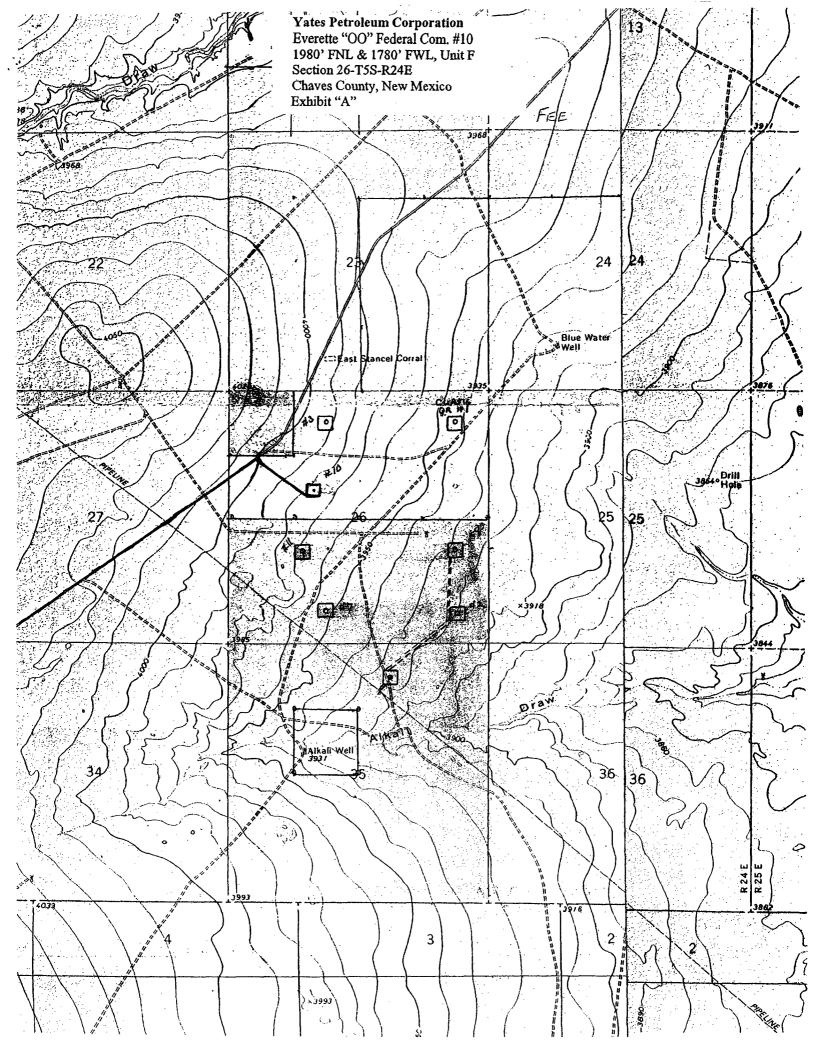
Through Drilling, Completions & Prod. Pinson McWhorter, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471

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.

03/04/2004

Regulatory Agent



SECTION 26, TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

SECTION 26, TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

SECTION 26, TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

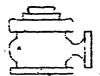
PRIVATE

PRIVATE

133

Yates Petroleum Corporation Everette "OO" Federal Com. #10 1980' FNL & 1780' FWL, Unit F Section 26-T5S-R24E Chaves County, New Mexico Exhibit "A-1"

1000 1000' <u> 2</u>000' Scale 1" = 1000' THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT MICLIFIANTLY DEPICTS THE RESULTS OF SAID SURVEY AND MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL INGINEERS AND LAND SHAVEYORS. YATES EUM CORP LEASE ROAD TO ACCESS THE YATES EVERETTE "OO" FEDERAL COM. \$10 LOCATED IN SECTION 26, TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM, CHAVES COUNTY, NEW MEXICO. No.3640 PER NEW MEXICO RESERVE Survey Date: 12/27/2001 Sheet 1 of Sheets GENERAL SUI W.O. Number Drawn By: Ed Blevins NEW MEXICO 88260 LOVINGTON, Date: 1/01/02 Scale 1" = 1000' EVERETTE 10

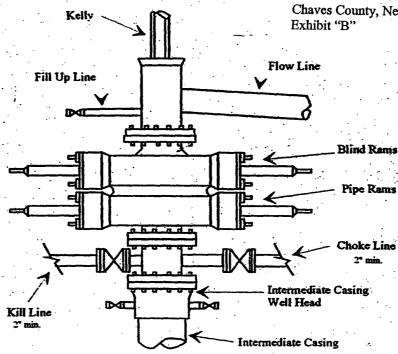


Yates Petroleum Corporation

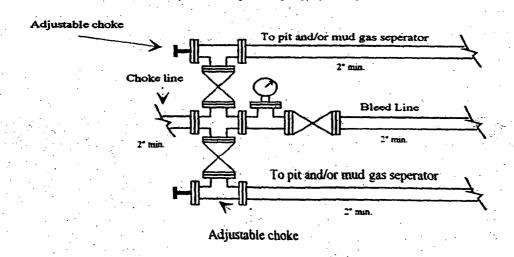
Typical 2,000 psi Pressure System Schematic

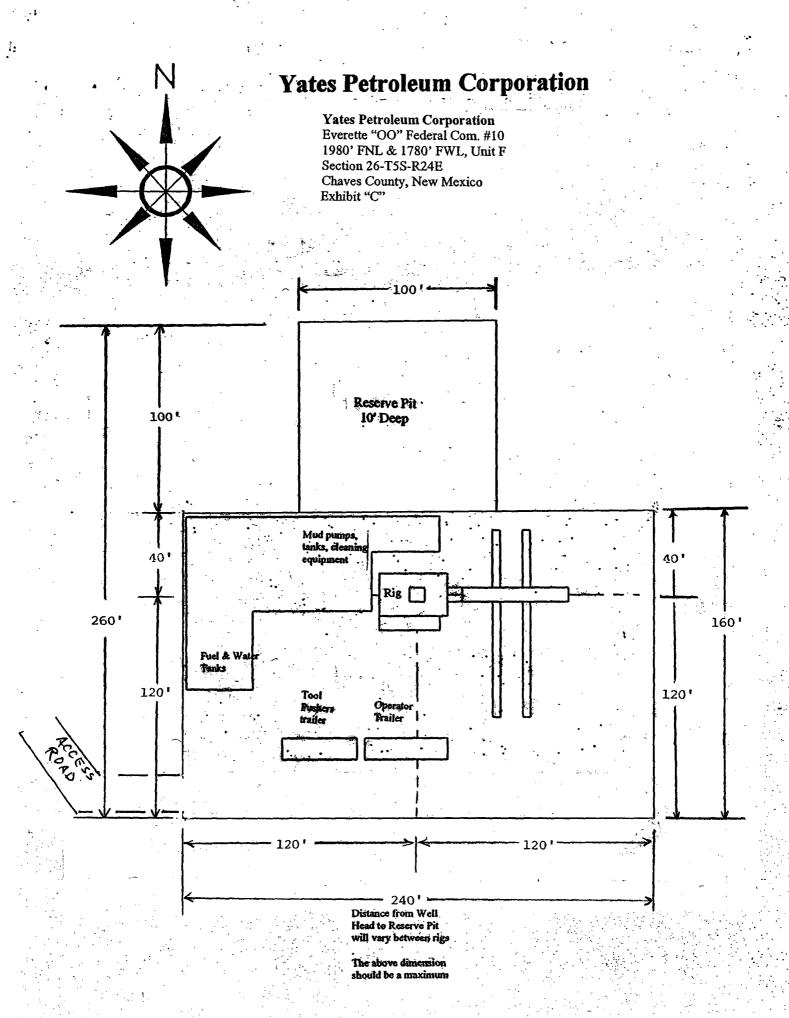
Double Ram Preventer Stack

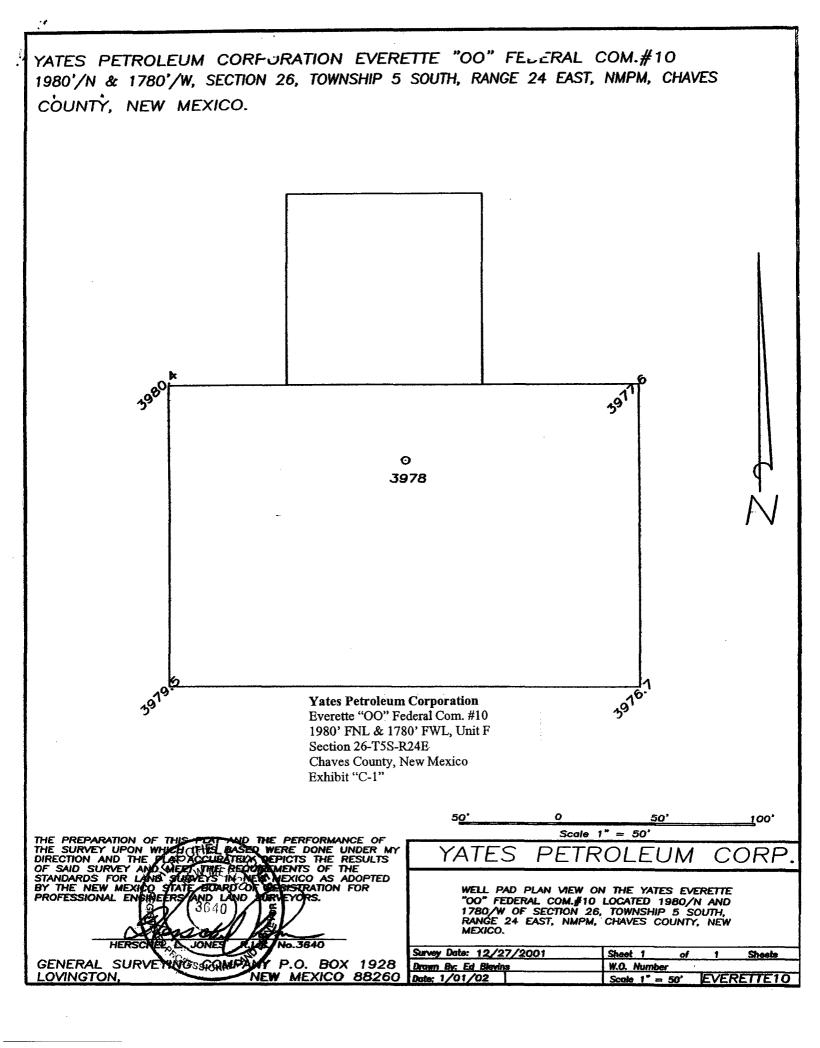
Yates Petroleum Corporation Everette "OO" Federal Com. #10 1980' FNL & 1780' FWL, Unit F Section 26-T5S-R24E Chaves County, New Mexico Exhibit "B"

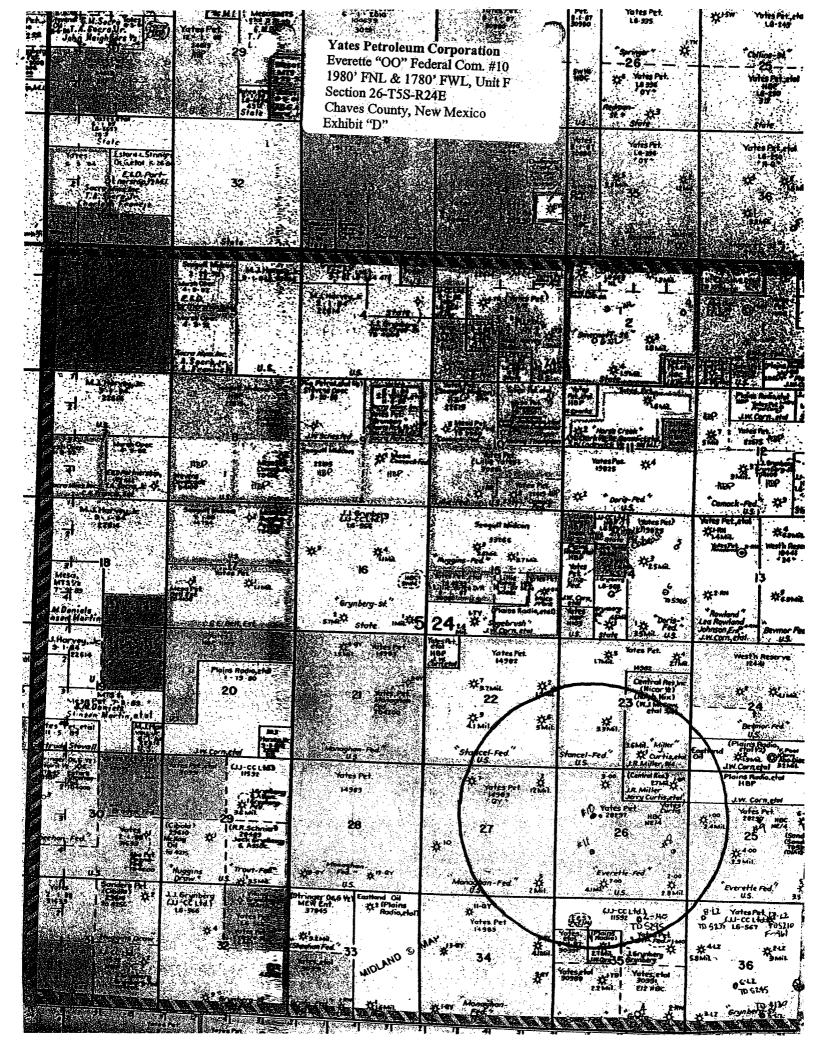


Typical 2,000 psi choke manifold assembly with at least these minimun features









SECTION 26, TOWNSHIP 5 Swath, RANGE 24 EAST, NMPM, CHARLES COUNTY, NEW MEXICO. 3935 0+00 AT INLET LINE VESSEL ON **′21.5**′ \$.85°58'E.. ∙0£21.5 1 EVERETTE "OO" 2+83.9 FÉDERAL COM.#10 PRIVATE Everette "OO" Federal Com. #10 1980' FNL & 1780' FWL, Unit F Yates Petroleum Corporation New Mexico Section 26-T5S-R24E Chaves County, New I County, 1 "E"

DESCRIPTION:

A PIPELINE RIGHT OF WAY 30 FEET WIDE, BEING 15 FEET TO THE LEFT AND RIGHT OF THE FOLLOWING DESCRIBED SURVEY CENTERLINE.

BEGINNING AT STA.0+00, A POINT LOCATED S.70°58'E., 2,081.2 FEET DISTANT FROM THE NORTHWEST CORNER OF SECTION 26, TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM, CHAVES COUNTY, NEW MEXICO; THENCE S.85°58'E., 21.5 FEET TO STA.0+21.5; THENCE S.4°02'W., 1,262.7 FEET TO STA.12+83.9, A POINT LOCATED S.44°24'E., 2,715.4 FEET DISTANT FROM THE NORTHWEST CORNER OF SAID SECTION 26.

1,283.9 FEET = 77.8121 RODS, MORE OR LESS, ALL OF WHICH ARE ON LEASE.

<u> 2</u>000' 1000' 1000 Scale 1" = 1000' THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE LATINGUIREMENTS OF THE RESULTS OF SAID SURVEY AND SURVEYS IN JUNE MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS. YATES PETROLEUM CORP. PIPELINE TO CONNECT THE YATES EVERETTE "OO" FEDERAL COM. #10 LOCATED IN SECTION 26, TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM, CHAVES COUNTY, NEW MEXICO. No.3640 THE COMPANY P.O. BOX 1928 Survey Date: 4/09/2001 Sheet 1 Sheets **GENERAL** W.O. Number Drawn By: Ed Blevins LOVINGTON. NEW MEXICO 88260 Date: 5/13/01 Scale 1" = 1000' EVERETTE

EXHIBIT A

OPERATOR: Yates Petroleum Corporation

LEASE NO: NM-28297

WELL NAME & NO.: Everette "OO" Federal Com. #10

LOCATION: Section 26 T. 5 S., R. 24 E., N.M.P.M.

QUARTER/QUARTER & FOOTAGE: SE'/NW'/- 1980' FNL & 1780' FWL

COUNTY: Chaves County, New Mexico

