gary

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

Form 3160-3 (August 1999) 0417					1	0 1004-0136
0 (1)	UNI <b>TED</b> STATE	S			Expires Nove	mber 30, 2000
	DEPARTMENT OF THE I		RE	CEIVED	5. Lease Serial No.	
	BUREAU OF LAND MANAG	GEMENT	11.15	1.1.0.0004		97851
APPLIC	ATION FOR PERMIT TO D	RILL OR RE	ENIEK	N 1 8 2004 EARTECIA	6. If Indian, Allottee of	r Tribe Name
1a. Type of Work:	RILL RE	ENTER			7. If Unit or CA Agree	ment, Name and No.
	_				8. Lease Name and We	ell No.
b. Type of Well: X Oil Well	Gas Other Well		Single Zone	Multiple Zone		QL Federal #1
2. Name of Operator					9. API Well No.	22.17.11
Yates Petroleum Corpor		T			30-015-	
3A. Address 105 South Fou		1	(include area cod	-	10. Field and Pool, or I	
	Mexico 88210 on clearly and in accordance with an		505) 748-147	<u>′1</u>	L	Blk, and Survey or Area
		y state requirem <b>&amp; 660' FEL</b>	enis. )		11. Sec., 1., K., W., O	bik, and survey of Area
At surface At proposed prod. Zone		ame			Section 4.	T23S-R23E
14. Distance in miles and direction					12. County or Parish	13. State
Approximately 40 miles	south of Artesia, New Me	xico			Eddy County	/ NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, it	660°	16. No. of Acr		17. Spacing Un	it dedicated to this well	
		19. Proposed I	20 Denth	20 DIM/DIA I	Hond No. on file	
18. Distance from proposed location to nearest well, drilling, complete applied for, on this lease, ft.	eted,		900'	20. BLW/BIA	585997	
21. Elevations (Show whether DF,	KDB, RT, GL, etc.)	22. Approxima	ate date work will	start*	23. Estimated duration	
424	5' GR	<u> </u>	ASAP		45 (	days
		24. Attac	hments			
The following, completed in accord	lance with the requirements of Onsho	re Oil and Gas Or	rder No. 1, shall be	e attached to this	form:	
1. Well plat certified by a registere	d surveyor.	].	4. Bond to cove	er the operations	unless covered by an exis	sting bond on file (see
2. A Drilling Plan.		İ	Item 20 abov	re).	·	•
3. A Surface Use Plan (if the locate	ion is on National Forest System Land	is, the	5. Operator certi	ification.		
SUPO shall be filed with the app	propriate Forest Service Office.		6. Such other sit	te specific inform	ation and/or plans as may	be required by the
			authorized of	fice.		
23. Signature	C 1/1 00	Name	(Printed/Typed)		D	ate
Melthe D	. askall	Debb	ie L. Caffall/	Land Depar	tment	2/24/04
Title: Regulatory Technician/o	U() debbiec@vpcnm.com					
Approved by (Signature)		Name	(Printed/Typed)	/ Ioo G I o	D. D.	ate
	/s/ Joe G. Lara		/S/	, 10e G. La	na i	1 8 JUN 2004
ACTING FIELD	MANAGER	Office	CARI	LSBAD F	IELD OFFICE	
Application approval does not warr	ant or certify that the applicant holds	legal or equitable	title to those righ	ts in the subject l	ease which would entitle	the applicant to conduct
operations thereon.					APPROVAL 1	FOR 1 YEAR
Conditions of approval, if any, are						
Title 18 U.S.C. Section 1001and Ti	itle 43 U.S.C. Section 1212, make it a	crime for any pe	rson knowingly ar	nd willfully to ma	ke to any department or a	gency of the United

\*(Instructions on reverse)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

### OPERATOR'S COPY

FILE COPY

Form 3160-3 OMB No. 1004-0136 (August 1999) Expires November 30, 2000 UNITED STATES 5. Lease Serial No. DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** NM-97851 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No. la. Type of Work: X DRILL REENTER 8. Lease Name and Well No. b. Type of Well: Oil Well Gas Other Single Multiple Zone Patterson AQL Federal #1 Well Zone 9. API Well No. 2. Name of Operator **Yates Petroleum Corporation** 10. Field and Pool, or Exploratory 3b. Phone No. (include area code) 105 South Fourth Street 3A. Address (505) 748-1471 Eddy Undesignated Group I Artesia, New Mexico 88210 11. Sec., T., R., M., or Blk, and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements.\*) 460' FNL & 660' FEL At surface Section 4, T23S-R23E Same At proposed prod. Zone 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office\* Approximately 40 miles south of Artesia, New Mexico **Eddy County** NM Distance from proposed' 17. Spacing Unit dedicated to this well 16. No. of Acres in lease location to nearest property or lease line, ft. 660' (Also to nearest drig. unit line, if any) 320 Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. 20. BLM/BIA Bond No. on file 19. Proposed Depth 3600' 585997 22. Approximate date work will start\* 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 23. Estimated duration 4245' GR **ASAP** 45 days 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form: 1. Well plat certified by a registered surveyor. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. SUPO shall be filed with the appropriate Forest Service Office. 6. Such other site specific information and/or plans as may be required by the authorized office. 25. Signatur Name (Printed/Typed) Date Cv Cowan 1/29/02 Title: Regulatory Agent by (Signature) Approved Name (Printed/Typed) 3/4/02 Ruguell Title CARLSBAD FIELD OFFICE

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 APPROVAL FOR 1 YEAR operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

, DISTRICT I 1625 H. French Dr., Hobbin, MX 86940 DISTRICT II

## State of New Mexico

Energy, Minerale and Return! Resources Departm

Form C-102 Revised Merch 17, 1999 Instruction on back

State Lease - 4 Copies

611 South First, Artesia, RM 68210 DISTRICT III

1000 Blo Brazos Bd., Axtec, NM 67410 DISTRICT IV 2046 South Panheoo, Santa Fe, NM 87505 OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

C AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API	Number			Pool Code		,	Pool Name		
						Eddy	Undesignated	Group I	
Property (	Code				Property Nex	d		Well No	mber
				Patt	erson AOL E	'ederal		1	
OGRID N	<b>).</b>				Operator Nam	<b>10</b> '		Kleva	Hon
02557	5	1		YATES	PETROLEUM C	ORPORATION		426	0
					Surface Loc	ation			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Vest line	County
A	4	238	23E		460	North	660	East	Eddy
			Bottom	Hole Loc	cation If Diffe	rent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Fest from the	North/South line	Feet from the	East/West line	County
		1				<b>\</b>	· -		
Dedicated Acre	Joint o	r Infill Co	neolidation	Code Or	der No.	· · · · · · · · · · · · · · · · · · ·	1		J
40				1					

#### 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

		 	<del></del>
	•	NM-97851	OPERATOR CERTIFICATION  I hereby certify the the information contained herein to true and complete to the best of my immutedge and batter.  Signature
		,	Cy Cowan  Printed Name  Regulatory Agent  Title  1/29/02  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 beligi.  REFER TO ORIGINAL PLAT  Date Surveyed
·			Signature & Seal of Professional Surveyor  Certificate No. Herschel L. Jones RLS 3640  GENERAL SURVEYING COMPANY

District I " PO 80# 1980, Hobbs, NM 88241-1980 District II PO Drawer DD. Artesia, NM 88211-0719 District [II] 1000 Rio Brazos Rd., Aztec, NM 87410 District (V

# 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 - J Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT  AFI Number  Pool Code  Property Code  PATTERSON AQL FEDERAL  OCSUD 1  PROPERTY Name  PATTERSON AQL FEDERAL  OCSUD 1  PATTERSON AQL FEDERAL  OCSUD 1  CL or lot an. Section  Township Reap   Let Ida   Fost from the North/South line   Fost from the   Lett/West like   Centry    A 4 23-S 23-E   460   NORTH   660   RAST   EDDY  I' BORTOM Hole Location If Different From Surface  UL or lot so. Section   Township   Reapy   Let Ida   Fost from the   North/South line   Fost from the   Lett/West like   Centry    UL or lot so. Section   Township   Reapy   Let Ida   Fost from the   North/South line   Fost from the   Lett/West like   Centry    UL or lot so. Section   Township   Reapy   Let Ida   Fost from the   North/South line   Fost from the   Lett/West like   Centry    UL or lot so. Section   Township   Reapy   Let Ida   Fost from the   North/South line   Fost from the   Lett/West like   Centry    UL or lot so. Section   Township   Reapy   Let Ida   Fost from the   North/South line   Fost from the   Lett/West like   Centry    UL or lot so. Section   Township   Reapy   Lett Ida   Fost from the   North/South line   Fost from the   Lett/West like   Centry    UL or lot so. Section   Township   Reapy   Lett Ida   Fost from the   North/South line   Fost from the   Lett/West like   Centry    Well Name   Lett/West like   Lett/West like   Lett/West like   Centry    Well Name   Lett/West like   Lett/West like   Lett/West like   Lett/West like   Lett/West like   Lett/West like    Well Name   Lett/West like   Lett/West like   Lett/West like   Lett/West like   Lett/West like    West like   Lett/West like   Lett/West like   Lett/West like   Lett/West like   Lett/West like    West like   Lett/West like   Lett/West like   Lett/West like   Lett/West like   Lett/West like    West	PO Box 2088. Santa Fe, i	YM 87504-2088							. [	] AMI	ENDED REPOR
PATTERSON AOL FEDERAL  1 Operator Name		WE	LL LO	CATI	DNA NC	ACR	EAGE DEDI	CATION PI	LAT		
**Property Code  PATTERSON AQL FEDERAL  **OGRID No.**  PATTERSON AQL FEDERAL  **OGRID No.**  **OSST55**  **YATES PETROLEUM CORPORATION  **JOINT OF SURFACE LOCATION  **JOINT OF SURFACE LOCATI	'API No	mber		1 Pool (	ode			= '			
PATTERSON AQL FEDERAL  O25575  YATES PETROLEUM CORPORATION  10 Surface Location  CL or lot do. Section Township Range Lot Ida Feet from the North/South line Feet from the East/West line Country  H BOTTOM Hole Location If Different From Surface  UL or lot do. Section Township Range Lot Ida Feet from the North/South line Feet from the East/West line Country  "Dedicated Aeres " Joint or IsIII " Canadidation Code I" Order No.  Ad ON ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION  16  WM-97851  JANUARY Landman Date January 21, 1997  1 SURVEYOR CERTIFICATION Interest of the well location thom on this plat was plantary 21, 1997  1 SURVEYOR CERTIFICATION Interest of the well location thom on this plat was plantary 21, 1997  1 SURVEYOR CERTIFICATION Interest of the well location thom on this plat was placed from field some of game to see the same in true and complete on the best of my blumbed of the same in true and country of the same in true and co		<del></del>						signated G	roup 1		
OCRID No.   O25575   YATES PETROLEUM CORPORATION   4260.	* Property Code					perty	Name		i	<b>'</b>	. Mell Unimper
O25575   YATES PETROLEUM CORPORATION   4260.	'OGRID No.	PATTERS	SON AQ					<u> </u>	* Elevation		
Ut or lot no. Section Township Range		YATES P	PETROLI	•					•		
Bottom Hole Location If Different From Surface  UL or lot so. Section Township Range Let Idn Feet from the North/South line Feet from the East/West line County  "Dedicated Acres " Joint or Infill " Canadidation Code " Order No.  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  16  17 OPERATOR CERTIFICATION I thereby completes to the best of my browdedge and believe and completes to the best of my browdedge and believe the section of my browdedge and believe the plant of a plant of my browdedge and believe the plant of a plant of my browdedge and believe the plant of a plant of	L	L	···	10 Surface Location					· · · · · · · · · · · · · · · · · · ·		<del></del>
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UL or lot no.    Section   Township   Range   Lot Idn   Feet from the   North/South line   Feet from the   East West line   County	A 4	23-5						<u> </u>	EAST		EDDY
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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  10  17 OPERATOR CERTIFICATION I hardy corrify that the information contained herean is true and complete to the best of my brankedge and believe and complete to the best of my brankedge and believe and correct to the best of my brankedge and believe and correct to the best of my brankedge and believe and correct to the best of my belief.  JANUARY, 16 R H 99  Disc of rouge?  Signalars to Sail of Exceptional Surveyors:	UL or lot no.   Section	a Township	Renge	Lot Ida	Feet from	the	North/South line	Feet from the	EastWes	ine ;	County
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION  10  11 OPERATOR CERTIFICATION 11 hereby certify that the information contained heren is true and complete to the best of my browledge and belied  NM-97851  Southwell  Printed Name Ken Beardemph1 Tule Landman Data January 21, 1997  18 SURVEYOR CERTIFICATION 1 hereby certify that the well location shown on this plat when ploaded from field notes of account surveys made by mee to under my supervision, and that the same is true and correct to the best of my belief.  JANUARY 16 R H 99 Date of Sugary  Signfure and Sail of Professional Surveyor.		int or Infill   * C	Consolidatio	s Code	Order No.	<del></del>		<u> </u>	,		
I hereby certify that the information contained heran is true and complete to the best of my browledge and belle Printed Name  Ken Beardemph I  Title  Landman  Date January 21, 1997  18 SURVEYOR CERTIFICATION  I hereby certify that the well location thorm on this plas was ploated from field societ of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  JANUARY, 16 R + 1997  Date of Suggery  Signature and Said of Professional Surveyor.	NO ALLOWABL									N COL	NSOLIDATED
TEGS (ST. CO.) SEE	16						NM-978	Sturanure (1) Printed Name Ken Be Tule Landma Data Janua  18 SURV I hareby certified or under me or under me and correct to JANUARY Date of Supple	eardemp an ary 21, EYOR (  y that the we we fill note on fill R H	cat of my  the cat of my  cat of my  cat of my  CERT  Il location  and the  ty belig.	contained heren is incoviedge and belief  TFICATION  I shown on this plat  I surveys made by  It the same is true

## YATES PETROLEUM CORPORATION

Patterson "AQL" Federal #1 660' FNL and 660' FEL Sec. 4-T23S-R23E Eddy County, State New Mexico

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

San Andres	1075'
Glorieta	2180'
Yeso	2310'
Bone Spring	3510'
TD	3600'

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

Water:

940'

Oil or Gas:

All potential zones

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" 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)

Hole Size	Casing Size	Wt./Ft	<u>Grade</u>	Coupling	Interval
14 3/4'	9 5/8"	36#	J-55	ST&C	0-1100'
8 3/4"	5 1/2"	15.5#	J-55	LT&C	0-3600'

## Roswell Controlled Water Bacin

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

# Patterson AQL Federal #1 Page 2

B. CEMENTING PROGRAM:

Surface Casing: Lead with 200 sx "H" 12% Thixad, 10#/sx Gilsonite, ½#/sx Celloseal and 400sx Light, ½# sx Celloceal. Yield 2.05 (cu. ft)/sx, tail with 200sx "C". Yield WITNESS 1.57 (cu. ft)/sx.

Production Casing: Lead with 625 sx Super "C" (11 Fumed Cilica, 8 Hyseal, ¼ Celloseal)#/sx. Yield 1.76 (cu. ft)sx.

#### 5. MUD PROGRAM AND AUXILLIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0 - 1100'	FW Spud Mud	8.3-8.5	28-34	N/C
1100'-3600'	Cut Brine	8.5-8.7	28-30	<20

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: From 10' under surface casing.

Logging: CNL/LDT, DLL w RXO

Coring: None. DST's: None.

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

From: 0 TO: 1100' Anticipated Max. BHP: 450 PSI From: 1100' TO: 3600' Anticipated Max. BHP: 1400 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 135° F

#### 8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 10 days to drill the well with completion taking another 20 days.

### MULTI-POINT SURFACE USE AND OPERATIONS PLAN YATES PETROLEUM CORPORATION

Patterson AQL Federal #1 660' FNL and 660' FEL Sec. 4-T23S-R23E Eddy County, State 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 well site is located approximately 42 miles south of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

#### **DIRECTIONS:**

Go north of Carlsbad, New Mexico on Highway 285 for 12.5 miles to Highway 137. Turn west and go approx. 18.5 miles to the Sacahuiste KE Federal #1 location. Access road will start here using existing Right-of-Way NM-93086.

#### 2. PLANNED ACCESS ROAD:

- A. The proposed **new** access will be approximately 4,600' length from the point of origin to the southeast corner of the drilling pad. The road will lie in a west to east then south 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. The new road will be bladed with drainage on one side. Some traffic turnouts 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 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 no **prod**uction 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.

# Patterson AQL Federal #1 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:

The dirt contractor will obtain any 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: 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 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 within 90 days after abandonment.

# Patterson AQL Federal #1 Page 3

11. SURFACE OWNERSHIP: Federal Surface, Administered by the Bureau of Land Management, Carlsbad, New Mexico.

В.

#### 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:

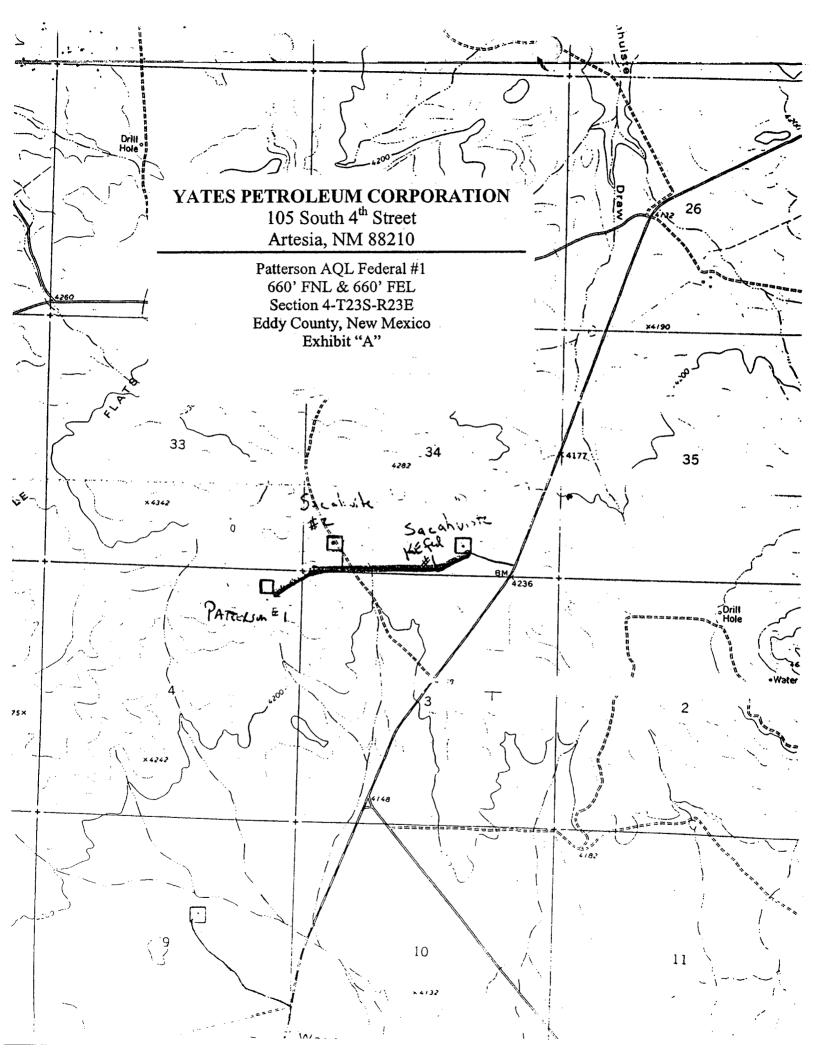
Cy Cowan, Regulatory Agent Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471 Through Drilling Operations, Completions and Production: Pinson McWhorter, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (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.

1/29/02

Regulatory Agent



YATES PETROLEUM CORPORATION
105 South 4th Street

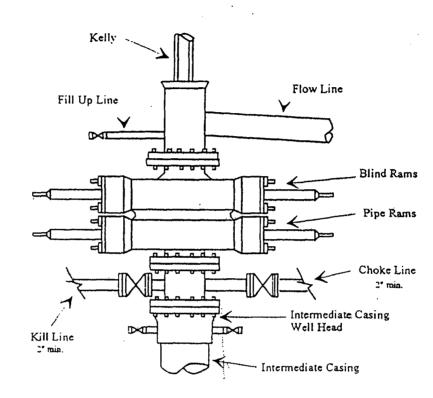
Patterson AQL Federal #1

660' FNL & 660' FEL

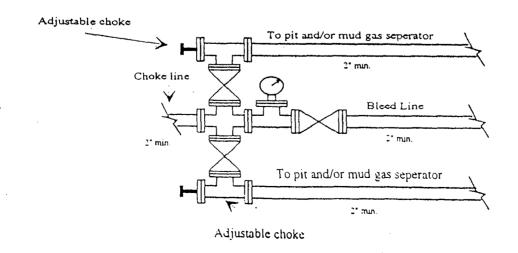
Artesia, NM 88210

# Yates Petroleum Corporation

Typical 2,000 psi Pressure System
Schematic
Double Ram Preventer Stack



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



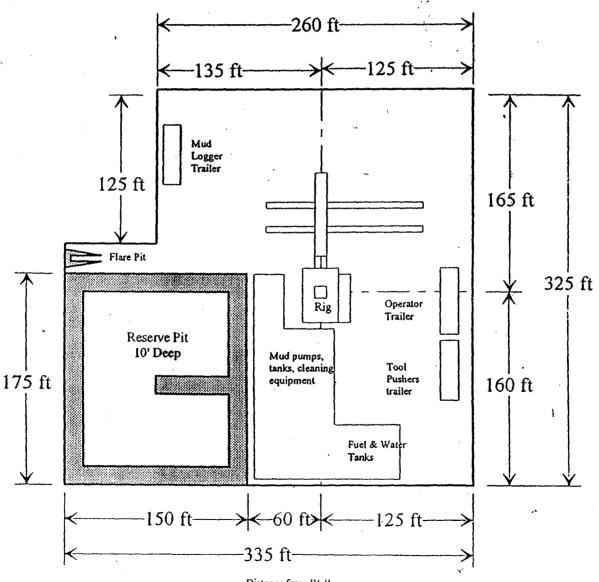
## Yates Petroleum Corporation

Location Layout for Permian Basin Up to 12,000'

## YATES PETROLEUM CORPORATION

105 South 4<sup>th</sup> Street Artesia, NM 88210

Patterson AQL Federal #1
660' FNL & 660' FEL
Section 4-T23S-R23E
Eddy County, New Mexico
Exhibit "C"



Distance from Well Head to Reserve Pit will vary between rigs

The above dimension should be a maximum

