

EC

OCD-ARTESIA

Form 3160-3
(August 1999)FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

I-06

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM107360
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		7. If Unit or CA Agreement, Name and No.
3a. Address 105 S 4TH STREET ARTESIA, NM 88210		8. Lease Name and Well No. BAMBOOZLED BBX FEDERAL 2
3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572		9. API Well No. 30-015-32885
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE 1051FSL 811FEL At proposed prod. zone SESE 1051FSL 811FEL (D)		10. Field and Pool, or Exploratory WILSON MERRON Undes. Cemetery-Merron
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 16 MILES NE OF CARLSBAD, NM.		11. Sec., T., R., M., or Blk. and Survey or Area Sec 3 T21S R24E Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 278'	16. No. of Acres in Lease 421.15	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2640'	19. Proposed Depth 10400 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3991 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00
24. Attachments Carlsbad Controlled Water Basin		20. BLM/BIA Bond No. on file
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:		23. Estimated duration

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CY COWAN Ph: 505.748.4372	Date 06/04/2003
Title REGULATORY AGENT		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date 16 JUL 2003
Title ACTING FIELD MANAGER		Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify 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, are attached.

APPROVAL FOR 1 YEAR

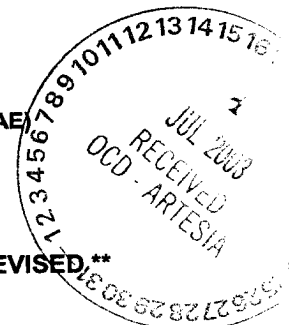
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #22765 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
committed to AFMSS for processing by Linda Askwig on 06/04/2003 (03LA0589AE)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
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
		Wildcat Morrow
Property Code	Property Name	Well Number
	BAMBOOZLED "BBX" FEDERAL	2
	Operator Name	Elevation
	YATES PETROLEUM CORPORATION	3959

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	21S	24E		1051	SOUTH	811	EAST	EDDY

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

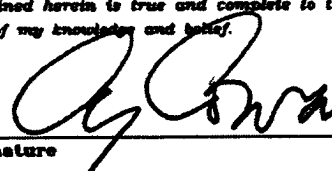
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

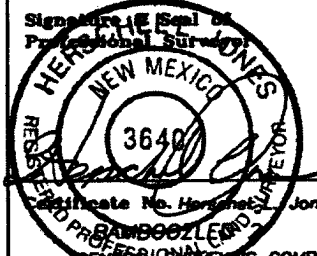
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 12	LOT 11	NM-107360 LOT 10	LOT 9
LOT 13	LOT 14	LOT 15	LOT 16

N.32°30'17.2"
W.104°28'50.8"
3925 3940

811'
1051'
3934 3949

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Cy Cowan
Printed Name
Regulatory Agent
Title
June 2, 2003
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 supervision, and that the same is true and correct to the best of my belief.
Date Surveyed
5/28/2003
Signature (Seal of Professional Surveyor)

Herbert E. Jones RLS 3640
BAMBOOZLED
SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

YATES PETROLEUM CORPORATION
Bamboozled BBX Federal #2
 1051' FSL and 811' FEL
 Section 3, T21S-R24E
 Eddy County, New Mexico

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

San Andres	1410'	Strawn	9125'
Bone Spring Lime	3620'	Atoka	9625'
1 st Bone Spring Lime	4070'	Upper Morrow	9990'
2 nd Bone Spring Lime	5035'	Middle Morrow	10035'
3 rd Bone Springs Lime	6620'	Lower Morrow	10190'
Wolfcamp	7035'	Base of Morrow	10280'
Cisco	8485'	TD	10400'

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

Water: 200' - 300'
 Oil or Gas: All potential zones

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 5000 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>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	J-55	H-40	0-400'	400'
12 1/4"	9 5/8"	36#	J-55	ST&C	0-3650'	3650'
8 3/4"	5 1/2"	17#	L-80	LT&C	0-900'	900'
8 3/4"	5 1/2"	17#	J-55	LT&C	900'-1600'	700'
8 3/4"	5 1/2"	15.5#	J-55	LT&C	1600'-6400'	4800'
8 3/4"	5 1/2"	17#	J-55	LT&C	6400'-8200'	1800'
8 3/4"	5 1/2"	17#	L-80	LT&C	8200'-10400'	2200'

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

B. CEMENTING PROGRAM:

Surface casing: 450 sx 'C' + 2% CaCl₂(YLD 1.64 WT 13.0).

Intermediate casing: 1300 sx Lite C (Yld 1.98 WT 12.5) Tail in w/200 sx Class C (YLD 1.34 WT 14.8).

Production Casing: TOC 3150', Lead w/1400 sx Lite 'C' (YLD 1.95 WT 12.5) Tail in w/650 sx Super 'C' Modified (YLD 1.58 WT 13.2).

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud to 400'	FW/Spud Mud	8.4-8.6	34-36	N/C
400'-3650'	Fresh Water	8.4-8.6	28	N/C
3650'-7000'	Cut Brine	8.8-9.0	28	N/C
7000'-8485'	Cut Brine	9.2-9.4	28	N/C
8485'-9200'	Cut Brine	9.4-9.6	28	N/C
9200'-10400'	SW/Gel/Starch/4% KCL	9.6-9.8	30-32	<10cc

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' out from under intermediate casing to TD.

Logging: Platform Express/HALS/NGT.

Coring: None anticipated.

DST's: As Warranted, possible from Cisco to TD.

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

Anticipated BHP:

From: 0	TO 400'	Anticipated Max. BHP: 175	PSI
From: 400'	TO 3550'	Anticipated Max. BHP: 1600	PSI
From: 3550'	TO 10400'	Anticipated Max. BHP: 5300	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 189° F

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 PETROLEUM CORPORATION

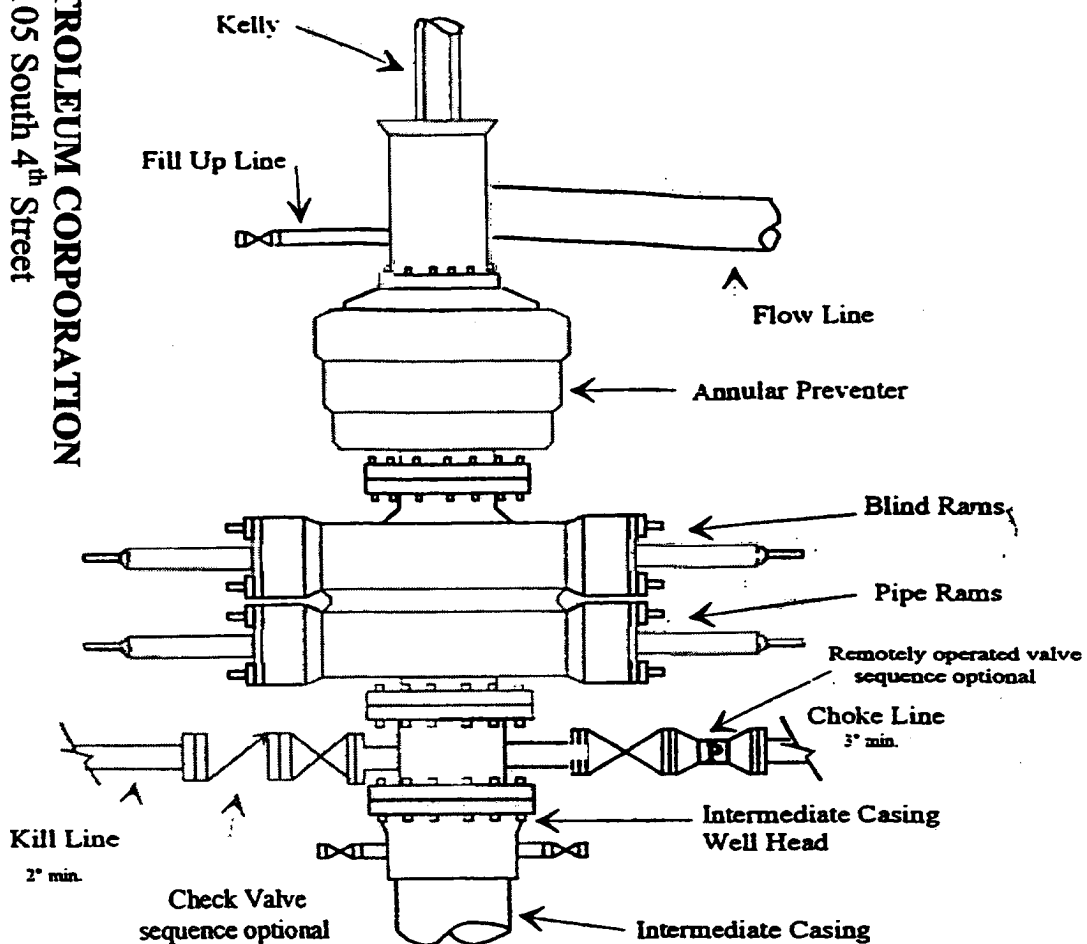
105 South 4th Street
Artesia, NM 88210

Bamboozled BBX Federal #2

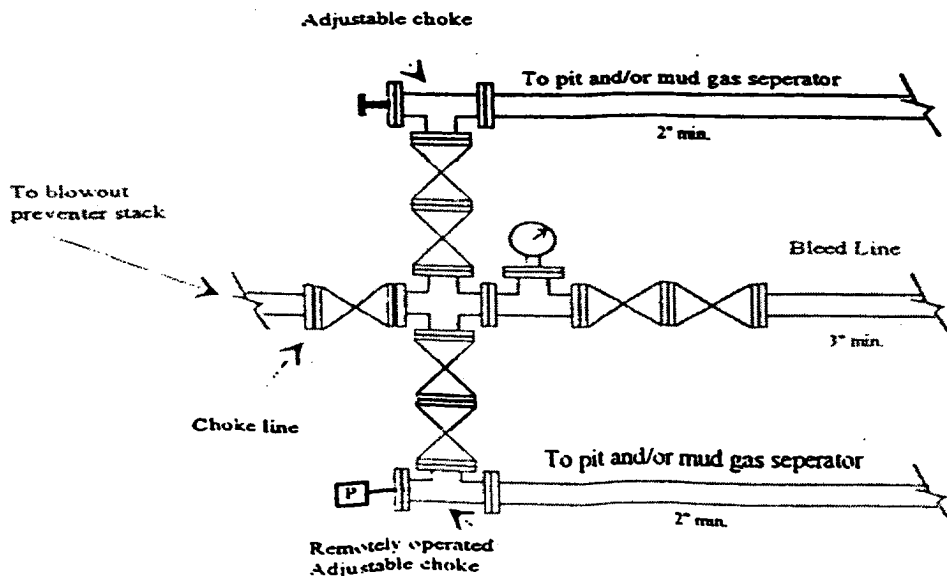
1051' FSL and 811' FEL
Section 3, T21S-R24E
Eddy County, New Mexico
Exhibit "A"

Yates Petroleum Corporation

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features



YATES PETROLEUM CORPORATION

105 South 4th Street

Artesia, NM 88210

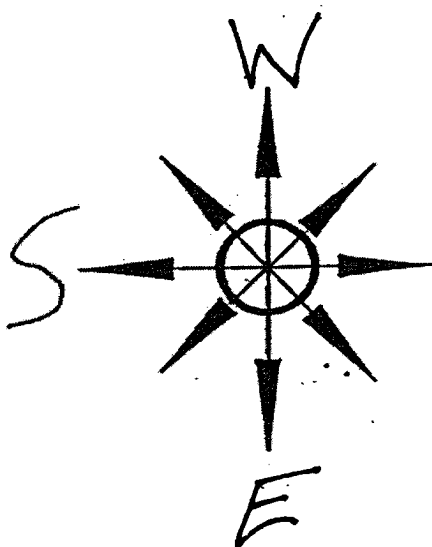
Bamboozled BBX Federal #2

1051' FSL and 811' FEL

Section 3, T21S-R24E

Eddy County, New Mexico

Exhibit "B"



Yates Petroleum Corporation
 Location Layout for Permian Basin
 Up to 12,000'

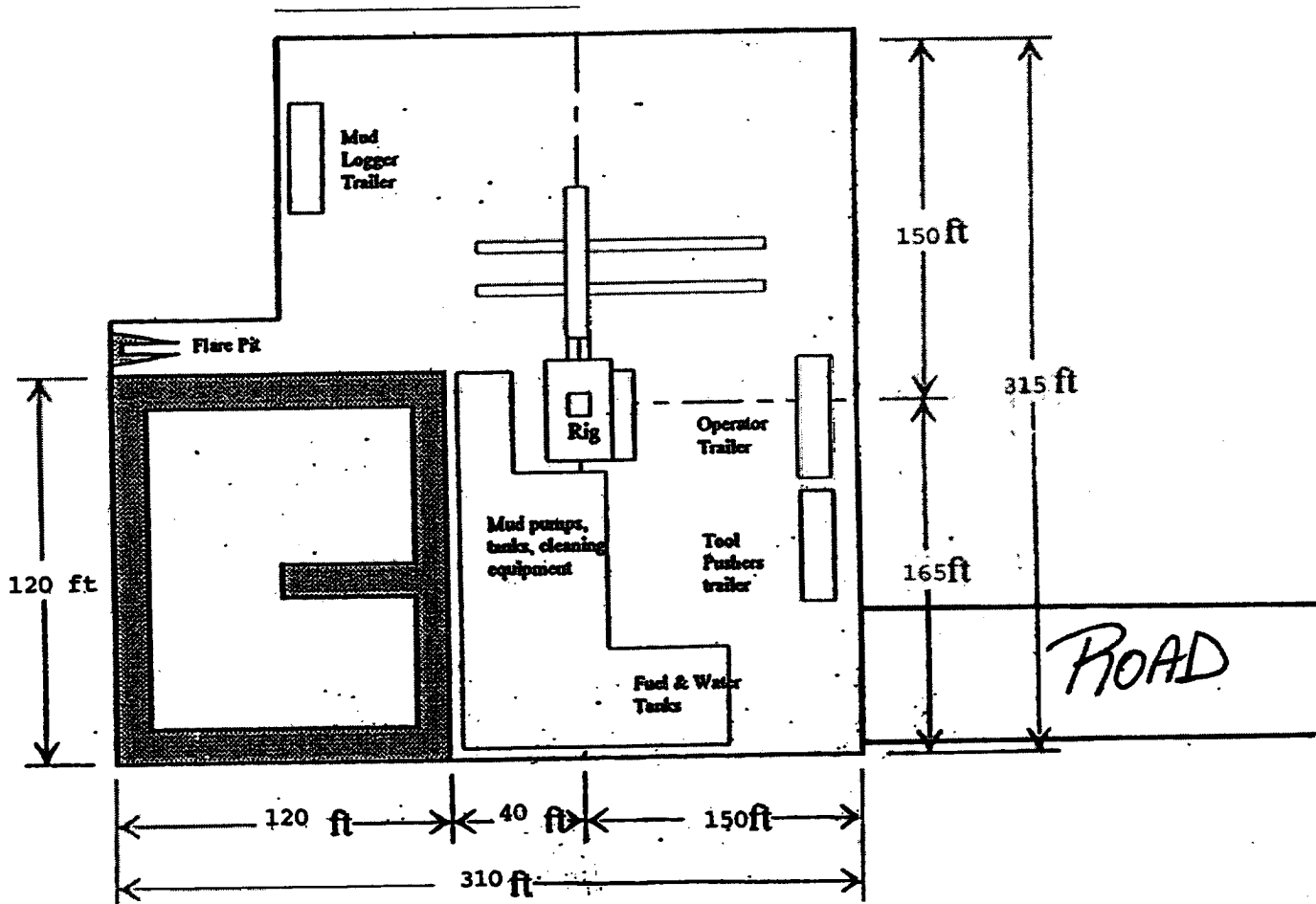
N Pits South

YATES PETROLEUM CORPORATION

105 South 4th Street
 Artesia, NM 88210

Bamboozled BBX Federal #2

1051' FSL and 811' FEL
 Section 3, T21S-R24E
 Eddy County, New Mexico
 Exhibit "C"



Distance from Well
 Head to Reserve Pit
 will vary between rigs

The above dimension
 should be a maximum