



N.M. Oil Cons. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210
 UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM43524

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and

8. Lease Name and Well No.
YANKEE ANK FEDERAL COM. 2

9. API Well No.
30-005-63582

10. Field and Pool, or Exploratory
WILDCAT PRECAMBRIAN

11. Sec., T., R., M., or Blk. and Survey or
Sec 1 T7S R25E Mer NMP
SME: BLM

12. County or Parish
CHAVES

13. S
N

17. Spacing Unit dedicated to this well
320.00

20. BLM/BIA Bond No. on file

23. Estimated duration
45 DAYS

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
YATES PETROLEUM CORPORATION
Contact: ROBERT ASHER
E-Mail: basher@ypcnm.com

3a. Address
105 S. 4TH
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 505.748.4364
Fx: 505.748.4572

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface SENW 1650FNL 1650FWL
At proposed prod. zone SENW 1650FNL 1650FWL

14. Distance in miles and direction from nearest town or post office*
APPROXIMATELY 33 MILES NE OF ROSWELL, NM.

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1650'

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
1500'

21. Elevations (Show whether DF, KB, RT, GL, etc.)
3705 GL

16. No. of Acres in Lease

19. Proposed Depth
5235 MD

22. Approximate date work will start

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.
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

Title
REGULATORY AGENT

Date
06/20/2003

Approved by (Signature)

Name (Printed/Typed)

Title
Assistant Field Manager,

Office

/s/ LARRY D. BRAY

ROSWELL FIELD OFFICE

Date
JUL 17 2003

APPROVED FOR 1 YEAR

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.

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 #23481 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Roswell
Committed to AFMSS for processing by Linda Askwig on 06/26/2003 (03LA0116AE)

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

DISTRICT I

161 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 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised March 17, 1999

Instruction 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		Pool Code		Pool Name	
Property Code		Property Name		Wildcat Precambrian	
OGRID No.		Operator Name		Well Number	
025575		YANKEE "ANK" FEDERAL COM.		2	
		YATES PETROLEUM CORPORATION		Elevation	
				3705	

Surface Location

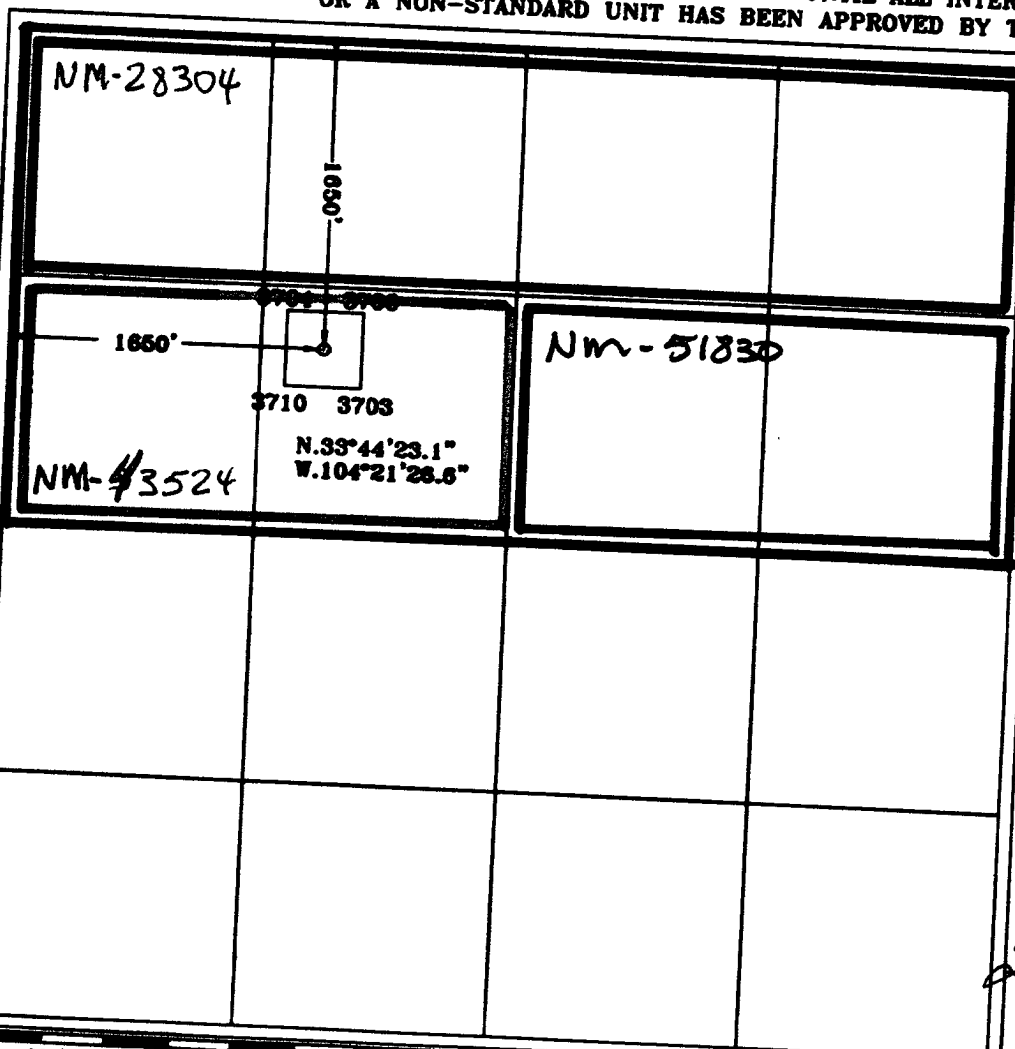
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	1	7S	25E		1650	NORTH	1650	WEST	CHAVES

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	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



OPERATOR CERTIFICATION

I hereby certify the 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 16, 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.

4/07/2003

Date Surveyed

Signature of
Professional Surveyor

Certification No. Hershfield Jones RLS 3640
YANKEE-2
GENERAL SURVEYING COMPANY

HERSHELD JONES
NEW MEXICO
3640
PROFESSIONAL LAND SURVEYOR

0 330' 660' 990' 1650' 1980' 2310' 2640' 2970' 3300' 0'

YATES PETROLEUM CORPORATION
Yankee ANK Federal Com. #2
 1650' FNL and 1650' FWL
 Section 1, T7S-R25E
 Chaves County, New Mexico

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

San Andres	455'
Glorieta	1415'
Yeso	1530'
Tubb	2930'
Abo	3605'
Wolfcamp	4620'
Basement	5135'
TD	5235'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:
- Water: 150'-200'
 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)

Hole Size	Casing Size	Wt./Ft	Grade	Coupling	Interval
14 3/4"	11 3/4"	42#	H-40	ST&C	0-925'
11	8 5/8"	24#	J-55	ST&C	0-1600'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-5235'

*8 5/8" will only be set if lost circulation is encountered

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8
 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 the greater expense of hiring an independent service to do the testing. Also, the maximum shut-in bottom hole pressure is 1100 PSI. Pressure at the surface is much less. Most of the time the Abo nation requires treatment before it flows.

A. CEMENTING PROGRAM:

Surface Casing: 350 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C"
+ 2% CaCl₂ (YLD 1.33 WT 15.6).

Intermediate Casing: 250 sx Class C+2% CaCl₂ (YLD 1.32 WT 14.8)

Production Casing: 550 sx Class "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>	<u>Fluid Loss</u>
0-925'	FW GEL, Paper, LCM	8.6 - 9.0	32-34	N/C
925'-1600'	Cut Brine	9.3 - 9.4	28	N/C
1600'-3550'	Brine	10	28	N/C
3550'-TD	Starch/Salt Gel	9.0-9.8	34-45	<6/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: Sch: Plat form Express; CNL/LDT, W/NGT TD-Surf csg; with CNL/GR up to Surf; DLL/MSFL TD-Surf csg; BHC Sonic-TD to surf csg.

Coring: Possible

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 925'	Anticipated Max. BHP: 375 PSI
From: 900'	TO: 5235'	Anticipated Max. BHP: 2100 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.

A. CEMENTING PROGRAM:

Surface Casing: 350 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C"
+ 2% CaCl₂ (YLD 1.33 WT 15.6).

Intermediate Casing: 250 sx Class C+2% CaCl₂ (YLD 1.32 WT 14.8)

Production Casing: 550 sx Class "C" (YLD 1.34 WT 13.0). TOC 3100'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-925'	FW GEL, Paper, LCM	8.6 - 9.0	32-34	N/C
925'-1600'	Cut Brine	9.3 - 9.4	28	N/C
1600'-3550'	Brine	10	28	N/C
3550'-TD	Starch/Salt Gel	9.6-9.9	45-55	<6/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: Sch: Plat form Express; CNL/LDT, W/NGT TD-Surf csg; with CNL/GR up to Surf; DLL/MSFL TD-Surf csg; BHC Sonic-TD to surf csg.

Coring: Possible

DST's: As warranted.

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

Anticipated BHP:

From: 0

TO: 925'

Anticipated Max. BHP: 375 PSI

From: 900'

TO: 5235'

Anticipated Max. BHP: 2100 PSI

Abnormal Pressures Anticipated: None

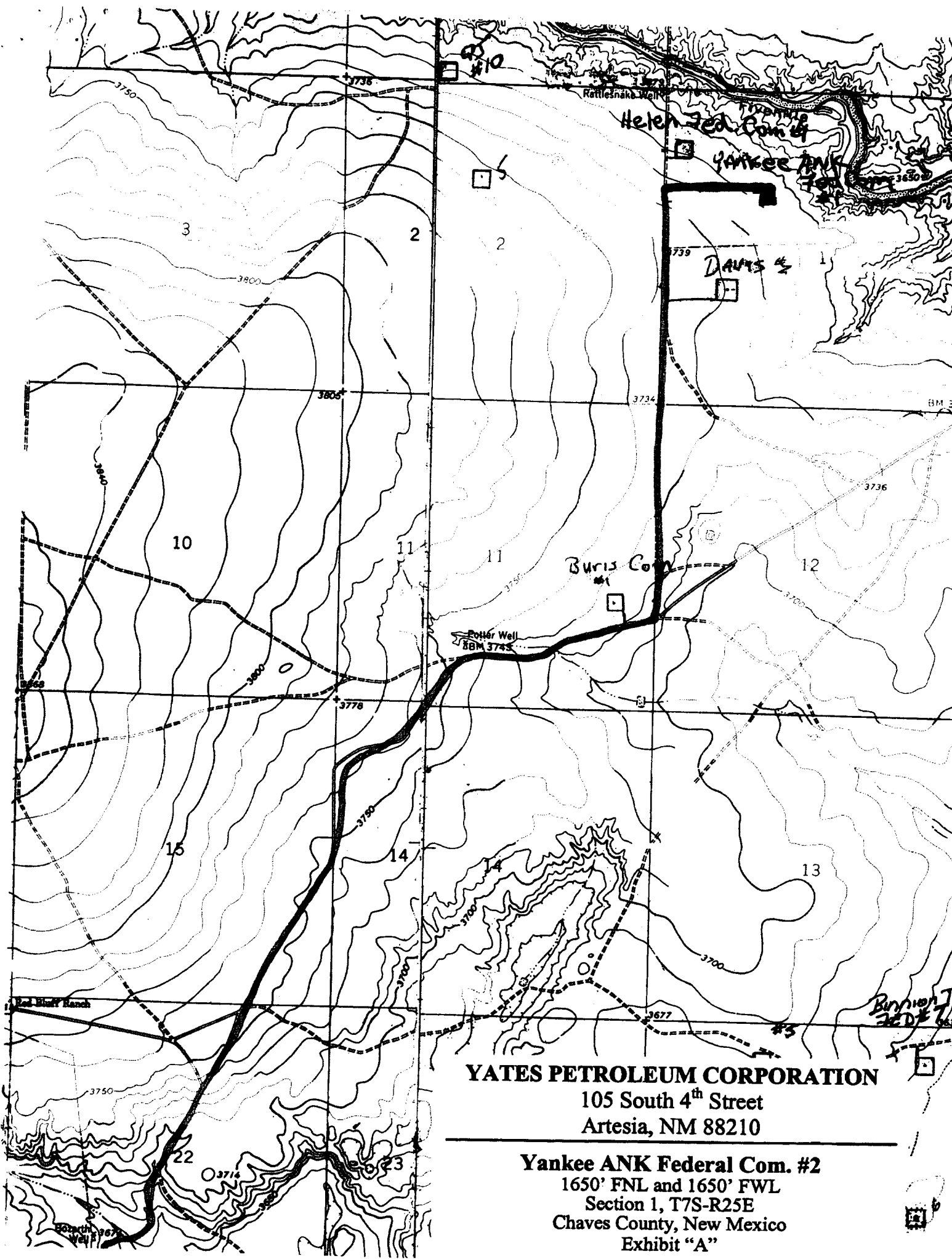
Lost Circulation Zones Anticipated: None.

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.



YATES PETROLEUM CORPORATION

105 South 4th Street
Artesia, NM 88210

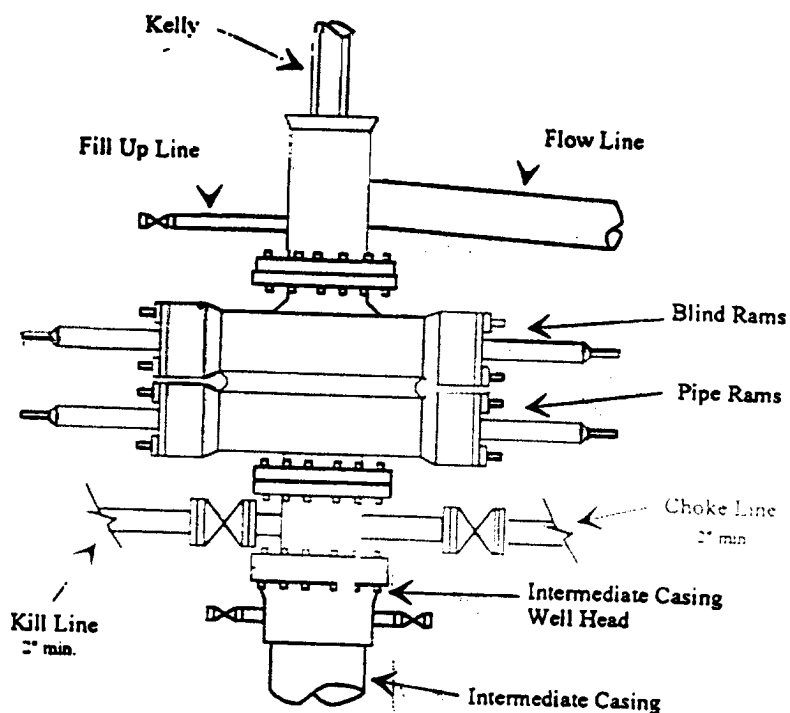
Yankee ANK Federal Com. #2

1650' FNL and 1650' FWL
Section 1, T7S-R25E
Chaves County, New Mexico
Exhibit "A"

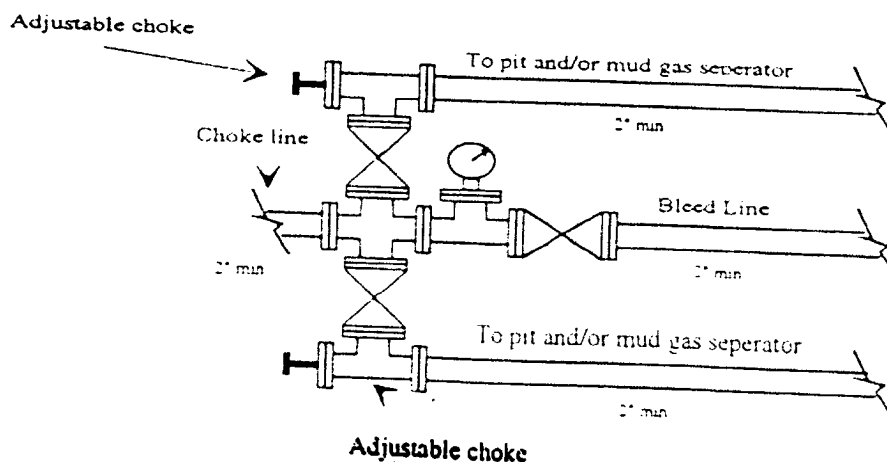
Yates Petroleum Corporation

BOP-2

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



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



YATES PETROLEUM CORPORATION

105 South 4th Street

Artesia, NM 88210

Yankee ANK Federal Com. #2

1650' FNL and 1650' FWL

Section 1, T7S-R25E

Chaves County, New Mexico

Exhibit "B"