

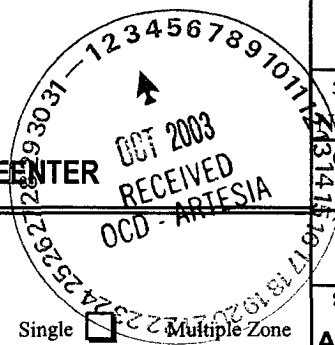
Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

0
OMB No. 1004-0136
Expires November 30, 2000



1a. Type of Work: ☒ DRILL ☐ REENTER

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

2. Name of Operator
Yates Petroleum Corporation

SUBJECT TO LIKE
APPROVAL BY STATE

3A. Address **105 South Fourth Street
Artesia, New Mexico 88210**

3b. Phone No. (include area code)
(505) 748-1471

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

At surface **1310' FSL and 1003' FWL Surface Location**
At proposed prod. Zone **1980' FSL and 660' FWL Bottom Hole Location**

14. Distance in miles and direction from nearest town or post office*

Approximately 32 northwest of Carlsbad, New Mexico.

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

1003'

16. No. of Acres in lease

720

17. Spacing Unit dedicated to this well

S/2

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

1300'

19. Proposed Depth

10400'

20. BLM/BIA Bond No. on file

585997

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

4010' GL

22. Approximate date work will start*

ASAP

23. Estimated duration

45 days

24. Attachments

CARLSBAD CONTROLLED WATER BASIN

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 office.

25. Signature

Name (Printed/Typed)

Date

Cy Cowan

7/25/03

Title:

Regulatory Agent

Approved by (Signature)

Name (Printed/Typed)

Date

/s/ Mary J. Rugwell

/s/ Mary J. Rugwell for Leslie A. Theis

30 SEP 2003

Title

FIELD MANAGER

Office

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 operations thereon.

APPROVAL FOR 1 YEAR

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.

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

DISTRICT I
1685 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

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 Indian Basin Upper Penn Associated
Property Code	Property Name ANEMONE "ANE" FEDERAL	Well Number 7
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4010

Surface Location

UL or lot No. M	Section 9	Township 22S	Range 24E	Lot Idn	Feet from the 1310	North/South line SOUTH	Feet from the 1003	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No. L	Section 9	Township 22S	Range 24E	Lot Idn	Feet from the 1980'	North/South line South	Feet from the 660'	East/West line West	County Eddy
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Dedicated Acres 320	Joint or Infill	Consolidation 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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i> Signature Cy Cowan Printed Name Regulatory Agent Title July 25, 2003 Date</p> <p>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>7/15/2003 Date Surveyed Signature & Seal of Professional Surveyor <i>Herschell L. Jones</i> Herschell L. Jones Professional Surveyor Certificate No. Herschell Jones RLS 3640 ANEMONE 7 HERSCHELL L. JONES PROFESSIONAL SURVEYING COMPANY</p>
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YATES PETROLEUM CORPORATION
Anemone ANE Federal #7
1310' FNL and 1003' FWL – Surface Location
1980' FSL and 660' FWL – Bottom Hole Location
Sec. 9-T22S-R24E
Eddy County, New Mexico

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

Queen	Surface	Base of Dolomite	8225'
San Andres	230'	Lower Canyon Lime	8387'
Bone Spring	3213'	Strawn	8839'
Glorietta	3291'	Atoka	9497'
2 nd Bone Springs	3776'	Upper Morrow	9883'
3 rd Bone Springs	6800'	Middle Morrow	9959'
Wolfcamp	7249'	Lower Morrow	10155'
Cisco Canyon Lime	7853'	Base Morrow Clastics	10245'
Cisco Canyon Dolomite	7856'	TD	10400'
Oil/Water Contact	8095'		

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

Water: 250' - 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>Coupling</u>	<u>Interval</u>	<u>Length</u>	
14 3/4"	9 5/8"	36#	J-55	ST+C	0-1800'	1800'	WITNESS
8 3/4"	7"	26#	L-80	LT+C	0-1800'	1800'	
8 3/4"	7"	26#	J-55	LT+C	1800'-7000'	5500'	
8 3/4"	7"	26#	N-80	LT+C	7000'-9300'	2300'	
8 3/4"	7"	26#	HCP-110	LT+C	9300'-10400'	1100'	

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

B. CEMENTING PROGRAM:

Surface casing: 200 sx H (YLD 1.53 WT 14.6), 900 sx Lite C (YLD 1.9 WT 12.7) Tail in with C Neat+ 2% CaCl₂ (YLD 1.9 WT 12.7).

Production Casing Stage I: 550 sx Super C Modified (YLD 1.63 WT 13) DV tool @ 6000'.

Production Casing Stage II: 400 sx Lite C (YLD 2.05 WT 12.7). Note, may use nitrified mud cement job if conditions permit.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1800'	FW/Air	8.4	28	N/C
1800'-7750'	Cut Brine	8.8-9.0	28	N/C
7750'-9800'	Cut Brine/Starch	9.0-9.4	28-32	<15
9800'-TD	Salt Gel/Starch	9.4-9.8	34-36	<12

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 from intermediate casing to TD.

Logging: Platform Express HALS NGT, possible FMI TBD.

Coring: None anticipated.

DST's: As warranted.

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

Anticipated BHP:

From: 0	To: 1800'	Anticipated Max. BHP	700 PSI.
From: 1800'	To: 10400'	Anticipated Max. BHP	5300 PSI.

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: Possible Canyon.

H₂S Zones Anticipated: Possible in Canyon.

Maximum Bottom Hole Temperature: 178 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.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Anemone ANE Federal #7

1310' FSL and 1003' FWL – Surface Location

1980' FSL and 660' FWL – Bottom Hole Location

Sec. 9-T22S-R24E

Eddy 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 well site is located approximately 32 miles northwest of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go north of Carlsbad on Highway 285 for 12.5 miles to Highway 137. Turn west for 14 miles, and then turn south on lease road to compressor station at bottom of the hill. Go right and past compressor station on lease road for approximately .4 of a mile. Turn left here and go approximately .8 of a mile. The new access road will start here going to the left.

2. PLANNED ACCESS ROAD

The new access road will be approximately 200 feet in length going to the southeast corner of the proposed location.

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.

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 locate closest pit and will obtain any permits and materials for 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:** Under this APD to be included for approval is one (1) 4" X-42 steel surface flowline having a working pressure of 100# PSI and a volume of 1000 MCFPD and 3000 BWPD. This flowline will follow the proposed access road route from the southeast corner of the proposed Anemone Federal #7 to the existing lease road then east toward the Anemone ANE Federal #1 a distance of approx. .2 of a mile. The flowline will then turn to the north and follow an existing pipeline for approx. 2600 feet to the Anemone ANE Federal #2 Battery. Total distance for the flowline will be approx. 3500 feet. We also need one (1) 3 phase 7400 volt raptor proof powerline which will also follow the existing lease road east for approx. .2 of a mile and will be connected with an existing powerline at this point near the Anemone ANE Federal #1 well location. Please note attached plat showing both routes of these requests.

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 600' x 600' 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.

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

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

B. 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

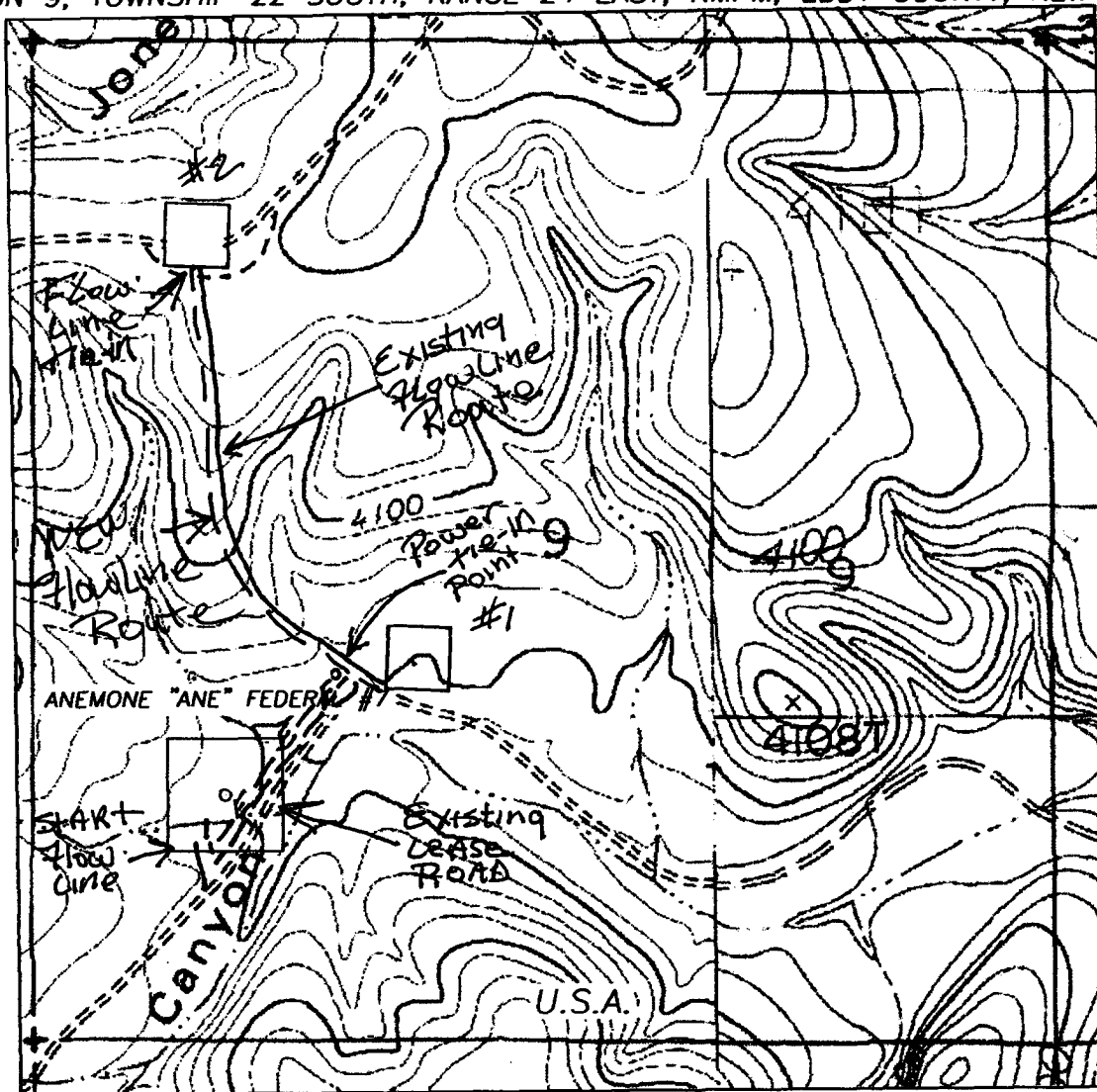
14. CERTIFICATION:

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.

7/24/03


Regulatory Agent

SECTION 9, TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



PROPOSED ANCILLARY FACILITIES:

- Surface steel flowline route.
- E-E-E-E- Electric powerline route.
- ===== Existing lease road.

Exhibit for #8 of the
Multi-Point Surface Use
Operations Plan

1000' 0 1000' 2000'
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 ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

HERSCHEL L. JONES, P.E. No. 3640
REGISTERED PROFESSIONAL LAND SURVEYOR

GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

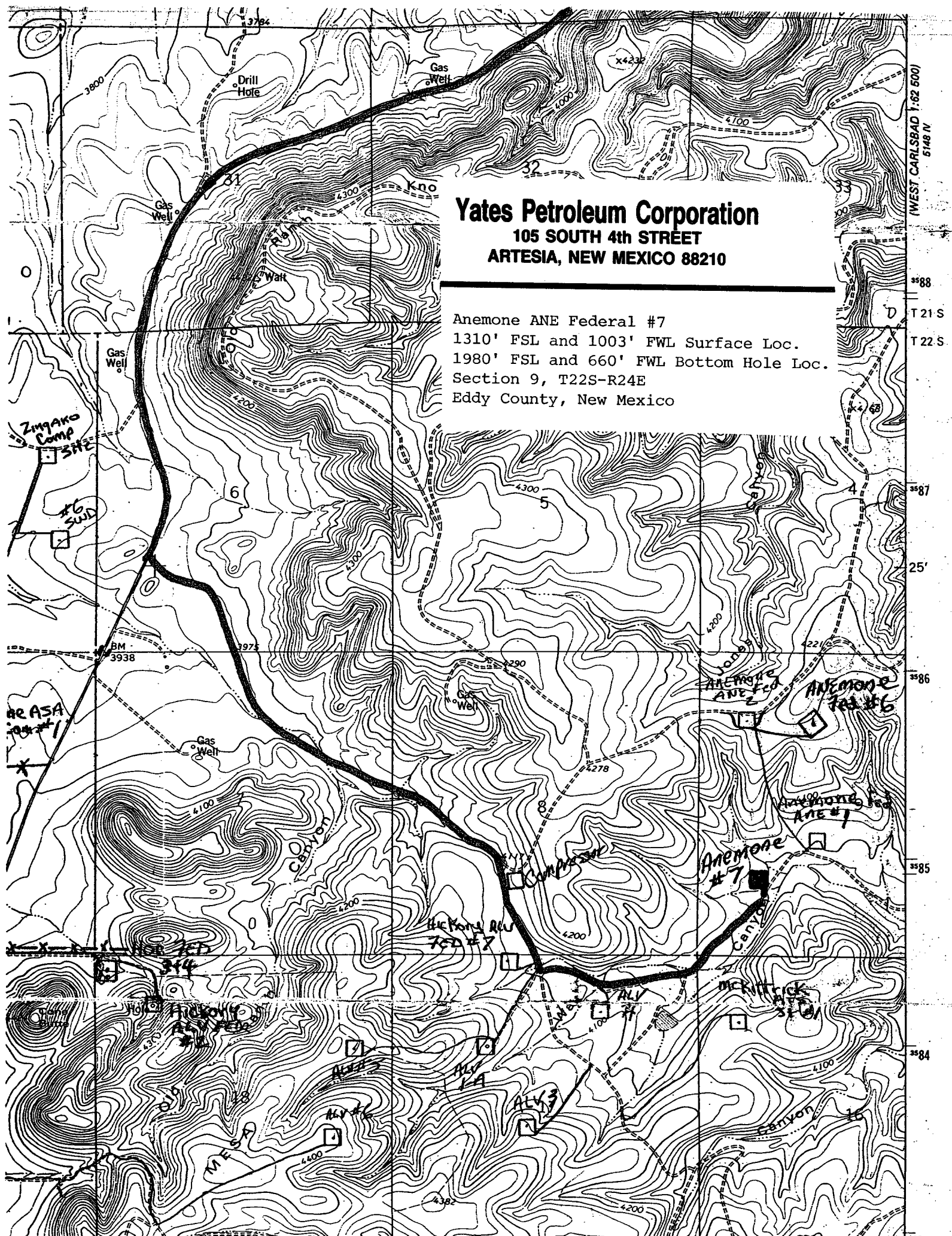
YATES PETROLEUM CORP.

LEASE ROAD TO ACCESS THE YATES ANEMONE "ANE"
FEDERAL #7 WELL, LOCATED IN SECTION 9, TOWNSHIP 22
SOUTH, RANGE 24 EAST, NMPM, EDDY COUNTY, NEW
MEXICO.

Survey Date: 7/15/2003	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 7/15/03	Scale 1" = 1000' ANEMONE 6

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

Anemone ANE Federal #7
1310' FSL and 1003' FWL Surface Loc.
1980' FSL and 660' FWL Bottom Hole Loc.
Section 9, T22S-R24E
Eddy County, New Mexico

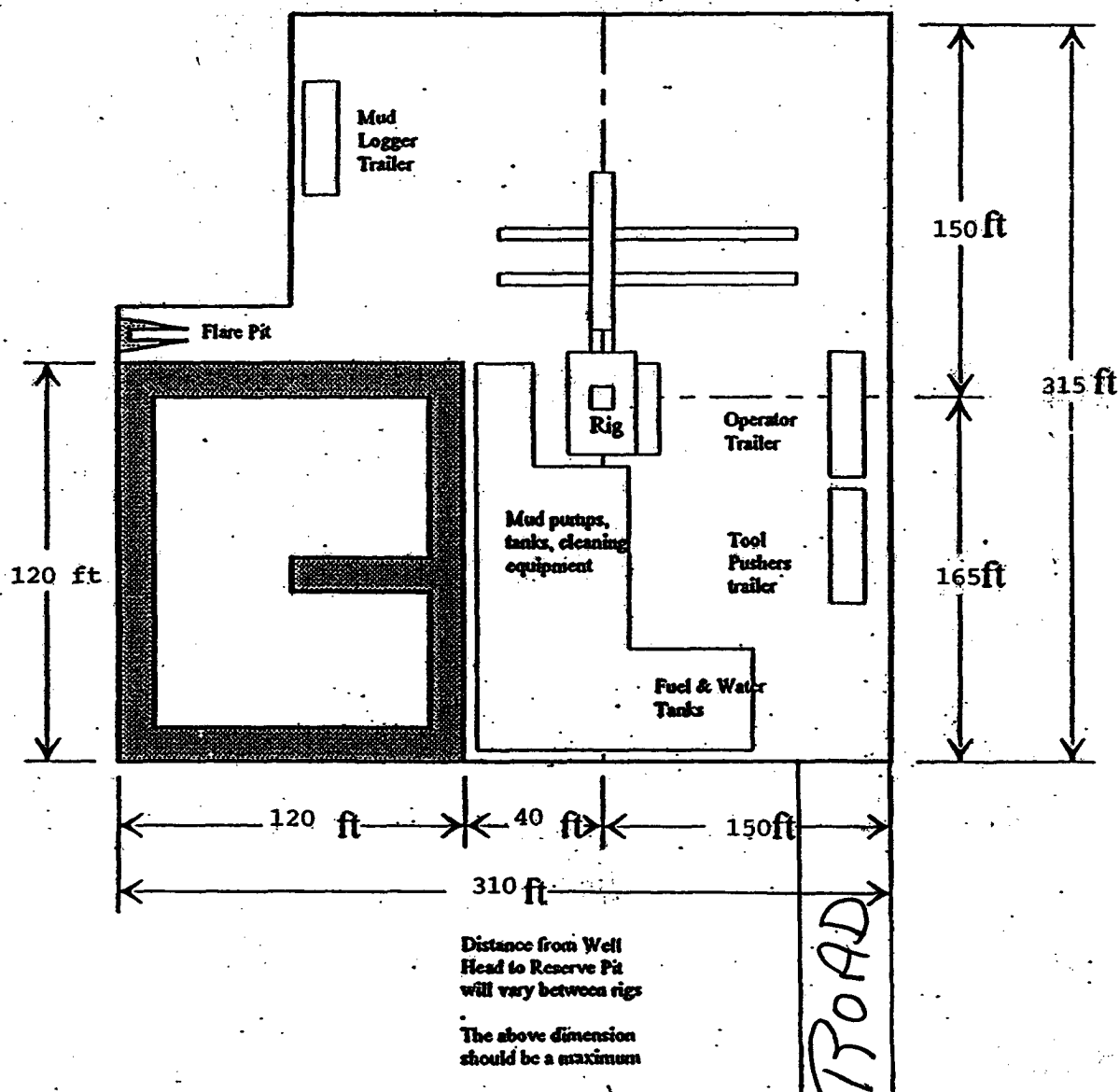


PB - L1

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

E Pits West

Anemone ANE Federal #7
1310' FSL and 1003' FWL Surface Loc.
1980' FSL and 660' FWL Bottom Hole Loc.
Section 9, T22S-R24E
Eddy County, New Mexico

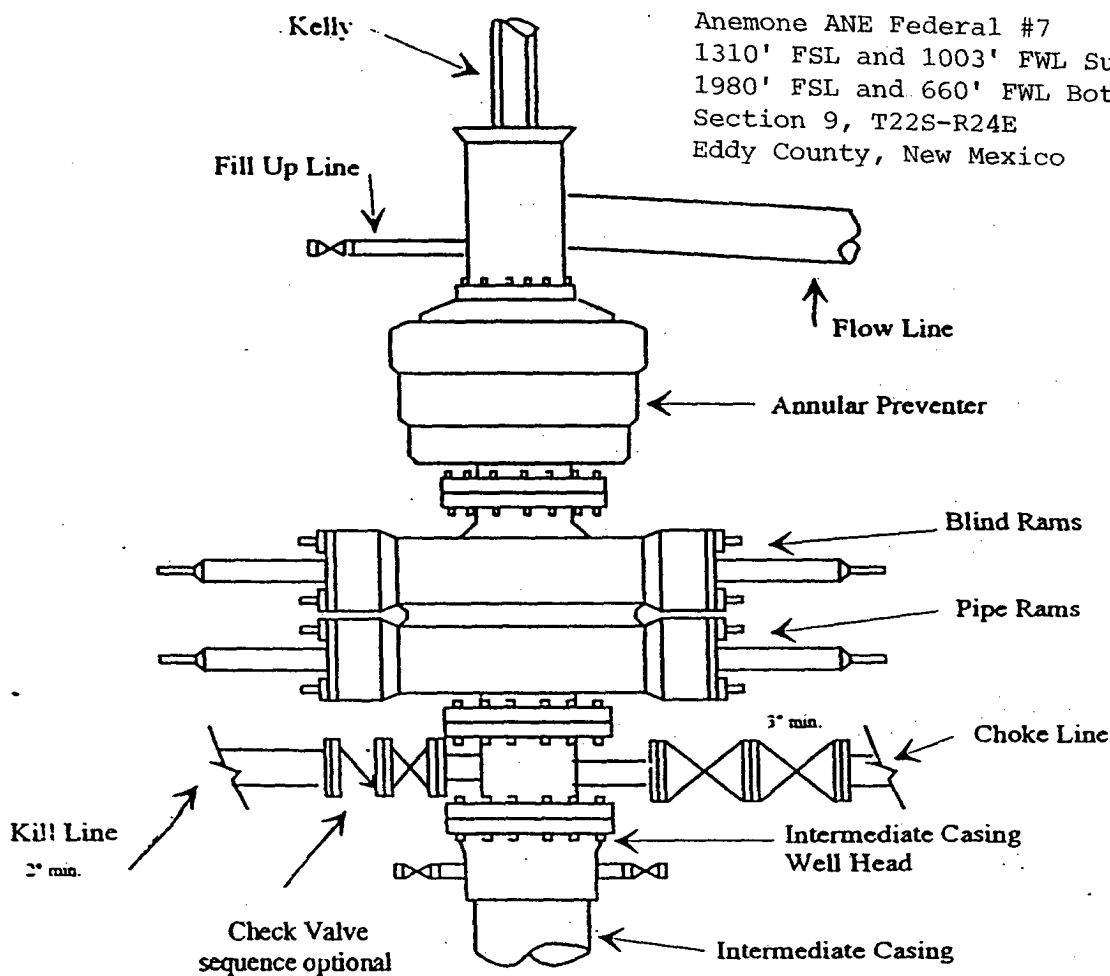




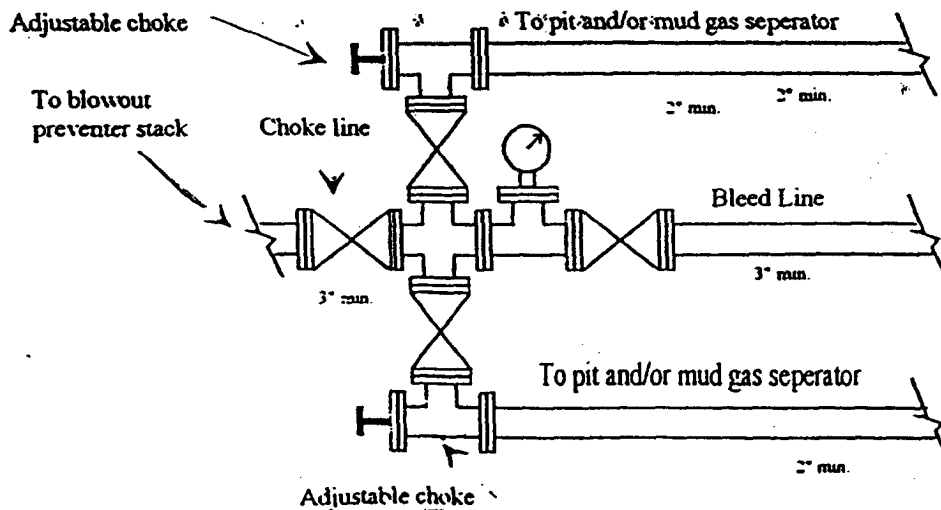
Yates Petroleum Corporation

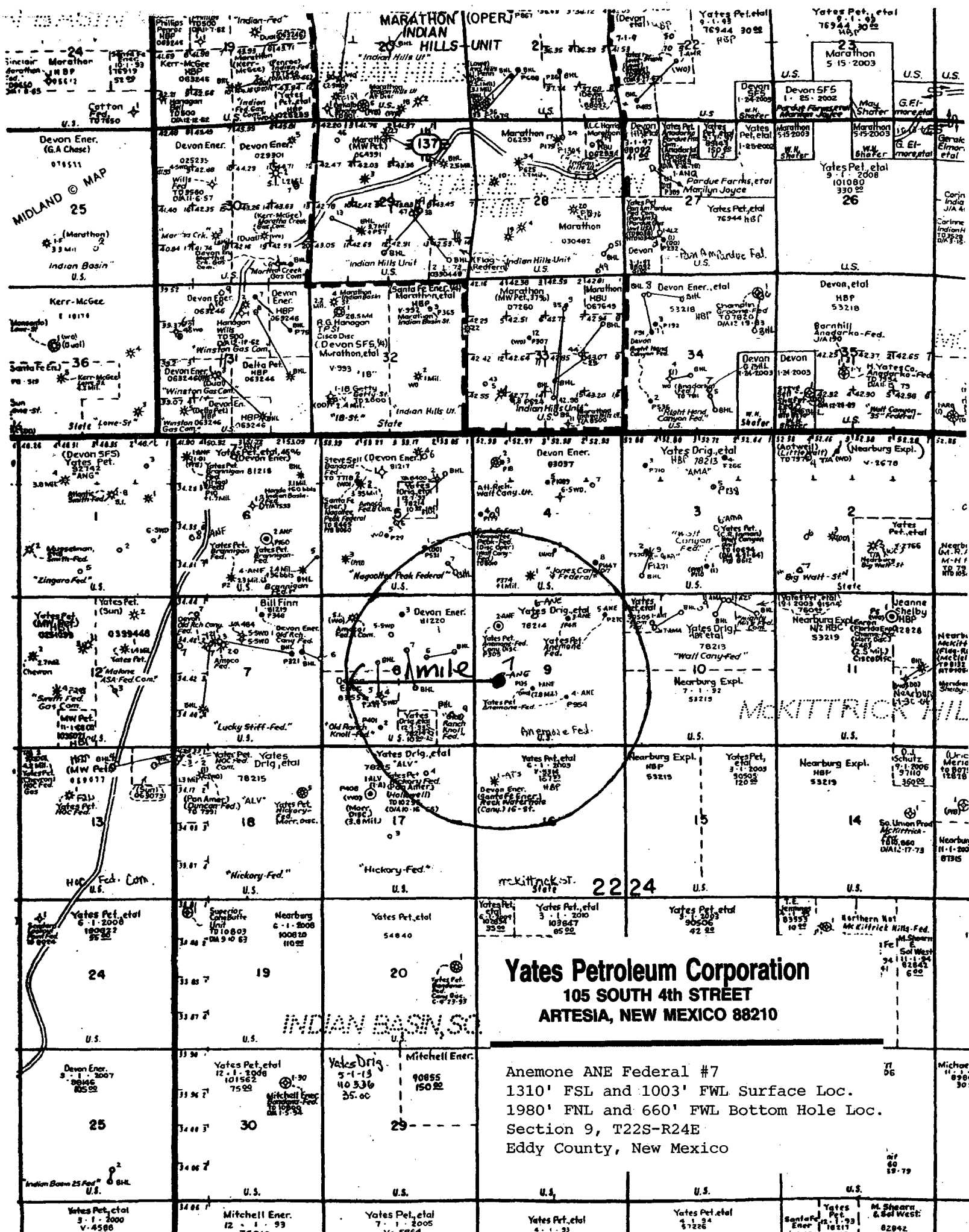
BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features





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

Anemone ANE Federal #7
1310' FSL and 1003' FWL Surface Loc.
1980' FNL and 660' FWL Bottom Hole Loc.
Section 9, T22S-R24E
Eddy County, New Mexico

Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

For

Anemone ANE Federal #7

1310' FNL and 1003' FWL Surface Location

1980' FSL, 660' FWL

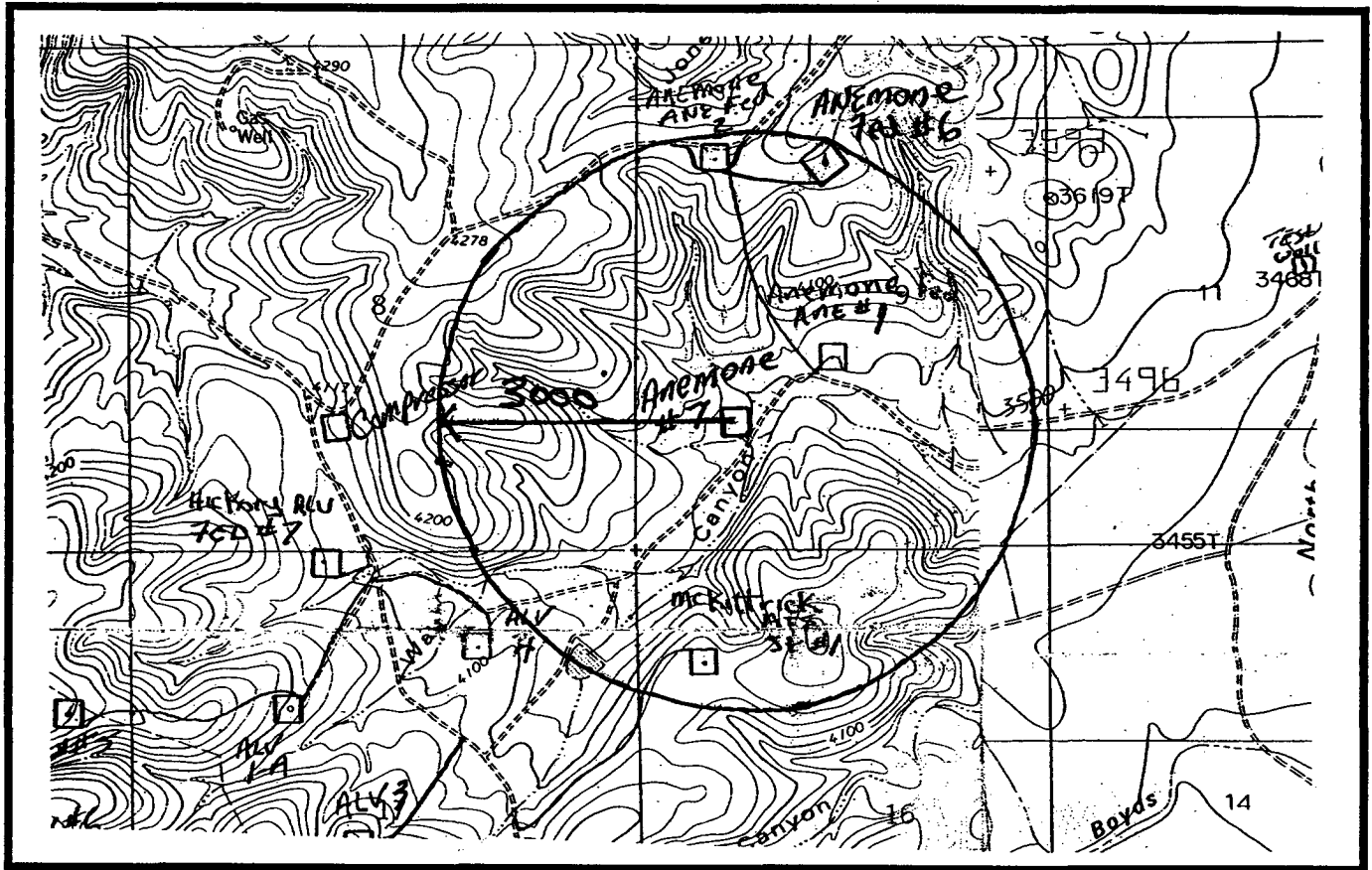
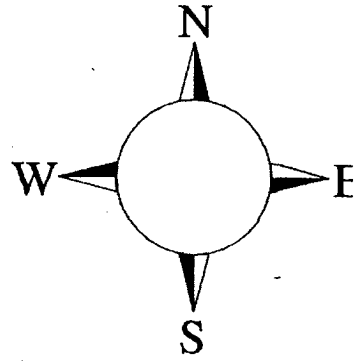
Sec-9, T-22S, R-24E

Eddy County NM



Anemone ANE Federal #7 Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.



Yates Petroleum Corporation Phone Numbers

YPC Office (505) 748-1471
Pinson McWhorter/Operations Manager (505) 748-4189
Darrel Atkins/Production Manager (505) 748-4204
Ron Beasley/Prod Superintendent (505) 748-4210
Al Springer/Drilling (505) 748-4225
Paul Hanes/Prod. Foreman/Roswell (505) 624-2805
Jim Krogman/Drilling Superintendent..... (505) 748-4215
Artesia Answering Service (505) 748-4302
(During non-office hours)

Agency Call List

Eddy County (505)

Artesia

State Police..... 746-2703
City Police..... 746-2703
Sheriff's Office 746-9888
Ambulance 911
Fire Department 746-2701
LEPC (Local Emergency Planning Committee) 746-2122
NMOCD..... 748-1283

Carlsbad

State Police..... 885-3137
City Police..... 885-2111
Sheriff's Office 887-7551
Ambulance 911
Fire Department 885-2111
LEPC (Local Emergency Planning Committee)..... 887-3798
US Bureau of Land Management.....887-6544

New Mexico Emergency Response Commission (Santa Fe) (505)476-9600
24 HR(505) 827-9126
National Emergency Response Center (Washington, DC) ...(800) 424-8802

Other

Boots & Coots IWC1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....(915) 699-0139 or (915) 563-3356
Halliburton(505) 746-2757
B. J. Services.....(505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM(505) 842-4949



Rescue & First Aid For Victims Of Hydrogen Sulfide Poisoning

Do not panic!

Remain calm and think!

Don (put on) breathing apparatus.

Remove victim to fresh air as quickly as possible (i.e. Upwind from source or crosswind to achieve upwind). Do not run downwind.

Provide artificial respiration and/or CPR as necessary. (Use proper technique of turning your head after each breath to avoid inhaling exhaled H₂S). If victim's clothing is contaminated with fluid that contains H₂S then strip them to the waist.

Provide for prompt medical attention.

Notify the medical personnel beforehand that the victim has been poisoned by H₂S.

In addition to basic First Aid, everyone on location should have a good working knowledge of CPR.

Physical Effects of Hydrogen Sulfide

Concentrations		Physical Effects
0.001%	10 ppm	obvious, and unpleasant odor- safe for 8 hours exposure
0.005%	50 ppm	cause some flu-like symptoms and can cause pneumonia
0.01%	100 ppm	kills sense of smell in 3-15 minutes – may sting eyes and throat.
0.02%	200 ppm	kills sense of smell rapidly, severely stings eyes and throat, severe flu-like symptoms 4 or more hours may cause lung damage and/or death.
0.06%	600 ppm	unconscious quickly, death will result if not rescued promptly.

* at 15.00 psia and 60 deg F.

CAUTION:

Hydrogen Sulfide is a colorless, transparent gas and is flammable. It is heavier than air and may accumulate in low places.

H2S Emergency Contingency Plan For Field Operation

Alert and account for all personnel on location.

- Move away from the source of the H2S and get out of the affected area. Move upwind from the well bore. Avoid inhalation of H2S.
- Don proper personal breathing equipment – 30 min. SCBA.
- Assist any personnel in distress using the ‘buddy system’
- Alert other affected personnel on location.
- Proceed to pre-designated meeting area.
- Account for all personnel on location.

Take action to control the release of the H2S. Eliminate all possible sources of ignition.

Do not re-enter the affected area without appropriate breathing equipment.

- Take all appropriate measures to shut in the H2S gas source.
- Put out all open flames in the affected area and shut down all motors.
- **Notify Supervisors.**

The YPC Supervisor that will assess the situation and assign duties to various persons to bring the situation under control. Notifications of local law enforcement agencies, residents, and emergency vehicles will be assigned by the YPC Office.

Any press inquiries are to be referred to the YPC main office at 105 S Fourth Street, Artesia NM 88210. No statement to the Public or Media will be made by anyone other than management or a spokesperson authorized by management.

If The Above Actions Cannot Be Safely Accomplished:

Alert The Public That May Be Immediately Affected.

- Down wind residences.
- Highway or street traffic that may be affected.

Contact The Appropriate Government Agency(s) (911, Sheriff, Railroad Commissions, City Police Etc.).

- State police – if on or near a state road
- Sheriff's dept. – if on or near a county road
(Requests help to evacuate the public if necessary and to help maintain roadblocks)

- Make any necessary recommendations, wind direction, affected area, etc.
- Start evacuation procedures where appropriate.
- Proceed with best plan (at the time) to regain control of the leak.
- Maintain tight security and safety procedures.

Public Evacuation Plan

1. When the YPC supervisor determines the H₂S or other emergency cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.
2. The supervisor will notify local government agencies that a hazardous condition exists and evacuation needs to be implemented.
3. A safety person who has been trained in the use of H₂S detection equipment and self-contained breathing apparatus shall monitor H₂S concentrations, heat exposure, wind directions, and area of exposure. He/she will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area shall be determined from the information gathered.
4. Law enforcement shall be called to aid in setting up and maintaining roadblocks. They will also aid in evacuation of the public if necessary, but they shall not be asked to enter the hazardous zone.
5. Constant communications shall be maintained between company personnel and law enforcement safe for re-entry.
6. After the discharge of gas has been controlled, the safety person will determine when the area is safe for re-entry.

All atmospheric monitoring equipment shall have a minimum capability of reading H₂S, oxygen, and flammability values.

Directional Drilling Procedure for Yates Petroleum Corp. – Anemone ANE Fed. #7.

Anemone ANE Federal #7 will be directionally drilled to a legal bottom hole location.

A 200 square foot target has been defined. The center of the target is 1880' FSL, 760' FWL, S9 T22S R24E.

After cementing 9 5/8" surface casing, a 8 3/4" hole will be drilled vertically to 4,700'. It will then be kicked off, building angle at the rate of 1 1/2* per 100', until 20* and an Azimuth of 336.91 is reached, projected @ 6,034', measured depth.

Maintain 20* & 336.91 Azimuth until 6,499'.

Start drop at rate of 1 1/2* / 100', have the well bore vertical by 7,831'.

Keep well bore vertical and drill to projected td @ 10,482' MD.

