

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator  
YATES PETROLEUM CORPORATIONContact: ROBERT ASHER  
E-Mail: basher@ypcnm.com3a. Address  
105 S 4TH STREET  
ARTESIA, NM 882103b. 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 NENW 660FNL 1650FWL

At proposed prod. zone NENW 660FNL 1650FWL

14. Distance in miles and direction from nearest town or post office  
APPROXIMATELY 18 MILES SE OF ARTESIA, NM.15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
660

16. No. of Acres in Lease

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.  
70019. Proposed Depth  
11350 MD21. Elevations (Show whether DF, KB, RI, GL, etc.)  
3470 GL

22. Approximate date work will start

5. Lease Serial No.  
NMLC067348

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
DIXON & YATES LM FEDERAL COM. 2

9. API Well No.

10. Field and Pool, or Exploratory  
WILDCAT

11. Sec., T, R, M., or BLM and Survey or Area

Sec 28 T18S R29E Mer NMP  
SME: BLM12. County or Parish  
EDDY13. State  
NM

17. Spacing Unit dedicated to this well

320.00

20. BLM/BLA Bond No. on file

23. Estimated duration

## 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: 505.748.4372Date  
05/02/2003Title  
REGULATORY AGENT

Approved by (Signature)

/s/ Joe G. Lara

Name (Printed/Typed)

/s/ Joe G. Lara

Date

MAY 30 2003

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)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHEDElectronic Submission #21363 verified by the BLM Well Information System  
For YATES PETROLEUM CORPORATION, sent to the Carlsbad  
Committed to AFMSS for processing by Armando Lopez on 05/05/2003 (03AL0260AE)

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

District I  
1825 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 & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, N M 87505

Form C-102

Revised March 17, 1999  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Name	Wildcat Morrow
Property Code		Property Name	DIXON & YATES LM FED COM
OGRID No.	025575	Operation Name	YATES PETROLEUM CORPORATION
		Well Number	2
		Elevation	3470

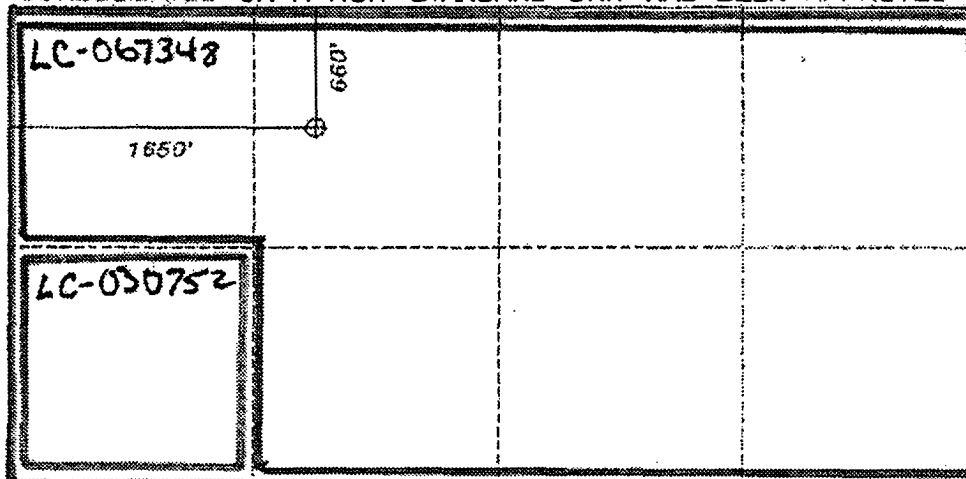

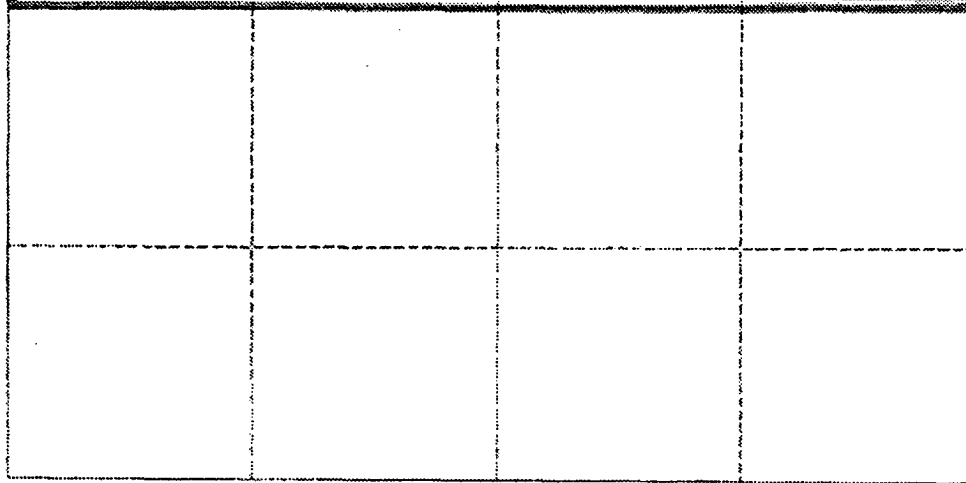
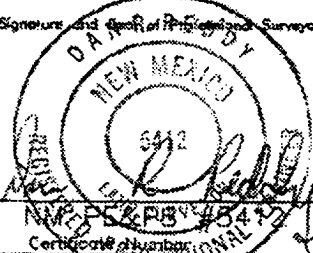
Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
C	28	18-S	29-E		660	NORTH	1650	WEST	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 INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b> I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	Signature  Printed Name Cy Cowan Title Regulatory Agent Date April 17, 2003
	<b>SURVEYOR CERTIFICATION</b> 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 KNOWLEDGE AND BELIEF.
	FEBRUARY 14, 2003 Date of Survey Signature and Seal of Registered Surveyor 

**YATES PETROLEUM CORPORATION**  
**Dixon & Yates LM Federal Com. #2**  
 660' FNL & 1650' FWL  
 Section. 28 -T18S-R29E  
 Eddy County, New Mexico

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

Yates	960'	Strawn	10,350'
Queen	1810'	Atoka	10,600'
Bone Spring	3870'	Morrow Clastics	10,840'
Wolf Camp	9000'	Austin Cycle	11,750'
Penn	9740'	TD	11,350'
Canyon	10,090'		

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

Water: Approx 250' - 350'  
 Oil or Gas: All Potential Zones

3. Pressure Control Equipment: BOPE will be installed on the 8 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"	11 3/4"	42#	H-40	ST&C	0-400'	400'
11"	8 5/8"	34#	J-55	ST&C	0-3200'	3200'
7 7/8"	5 1/2"	17#	L-80	LT&C	0-2500'	2500'
7 7/8"	5 1/2"	17#	J-55	LT&C	2500'-7500'	5000'
7 7/8"	5 1/2"	17#	N-80	LT&C	7500'-10300'	2800'
7 7/8"	5 1/2"	17#	HCP-110	LT&C	10300'-11350'	1050'

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

B. CEMENTING PROGRAM:

Surface casing: 200 sx "C" (Yld 1.32 Wt.14.6) Tail in w/ 200 sx "C"+ 2% CaCL2 (Yld 1.32 Wt 14.6)

Intermediate Casing: 1500 sx Lite (Yld 2.05 Wt 12.6); Tail in w/200 sx "C" (Yld 1.32 Wt. 14.6)

Production Casing: TOC-2700'; 700 sx Lite (Yld 2.05 Wt. 12.6). Tail in w/ 500 sx Super "C" (Yld 1.67 Wt 13.0)  
Nitrified mud will be used ahead of cement.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-400'	FW Gel/Paper	8.6-9.0	32-36	N/C
400'-3200'	Brine	10.0-10.2	28	N/C
3200'-10500'	Cut Brine	8.8-9.5	28	N/C
10500'-11350'	Salt Gel/Starch/Drispac/KCL	9.5-10.0	32-40	<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' samples 5000' to TD.  
Logging: Platform HALS  
Coring: Sidewall cores as warranted.  
DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 400'	Anticipated Max. BHP:	150	PSI
From: 400'	TO: 3200'	Anticipated Max. BHP:	1300	PSI
From: 3200'	TO: TD	Anticipated Max. BHP:	5750	PSI

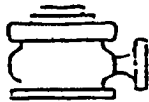
No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None

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.

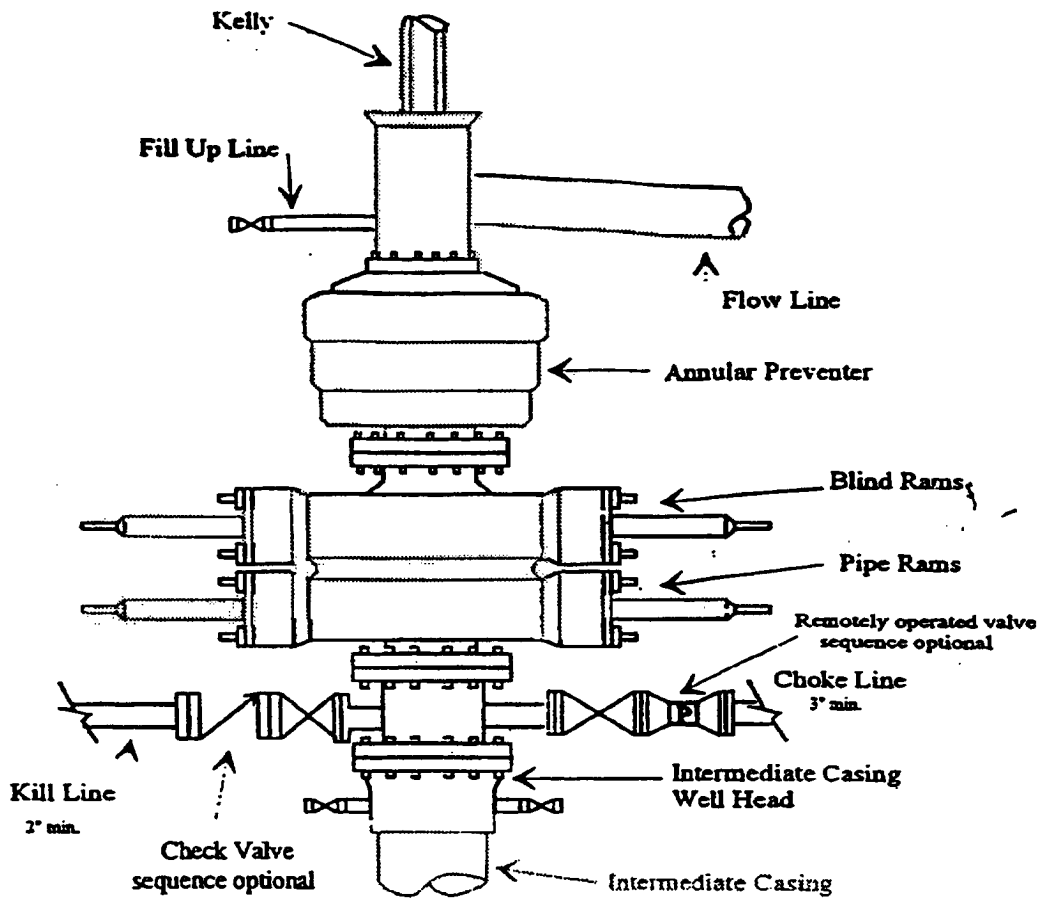


# Yates Petroleum Corporation

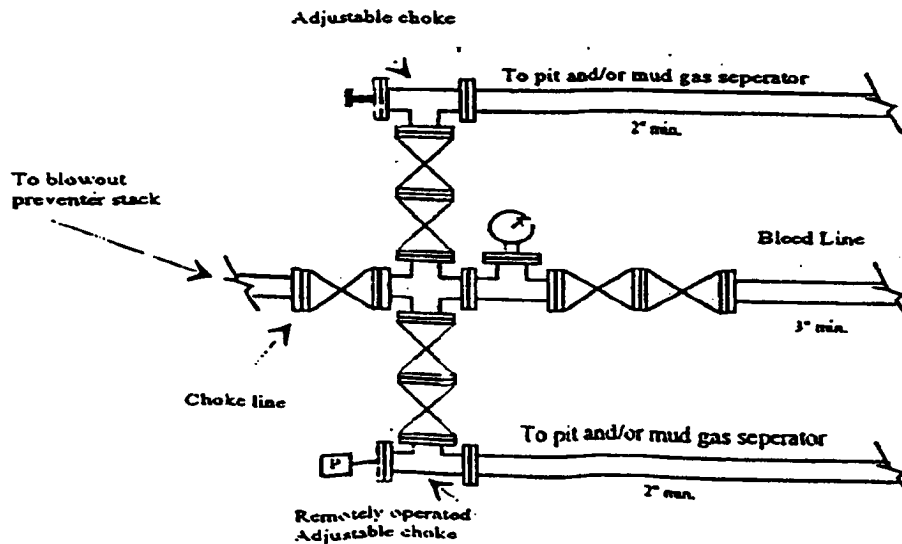
## Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

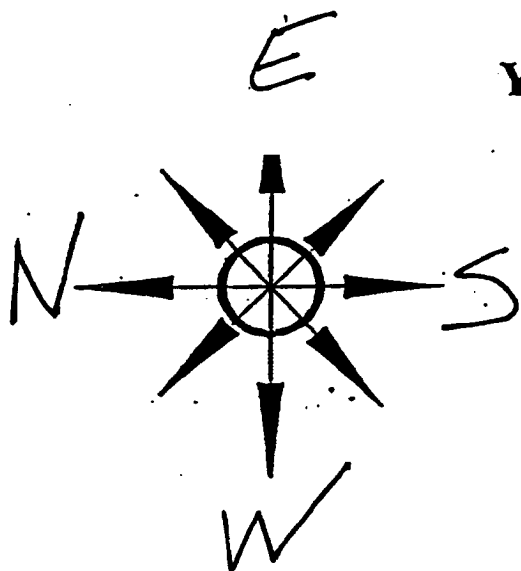
BOP-4

Yates Petroleum Corporation  
Box 1, Yates LM Federal Comm?  
660 E. N. & 1650 E. W.  
Section 28 - T18S-R29E  
Floyd County, New Mexico  
Exhibit 13



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



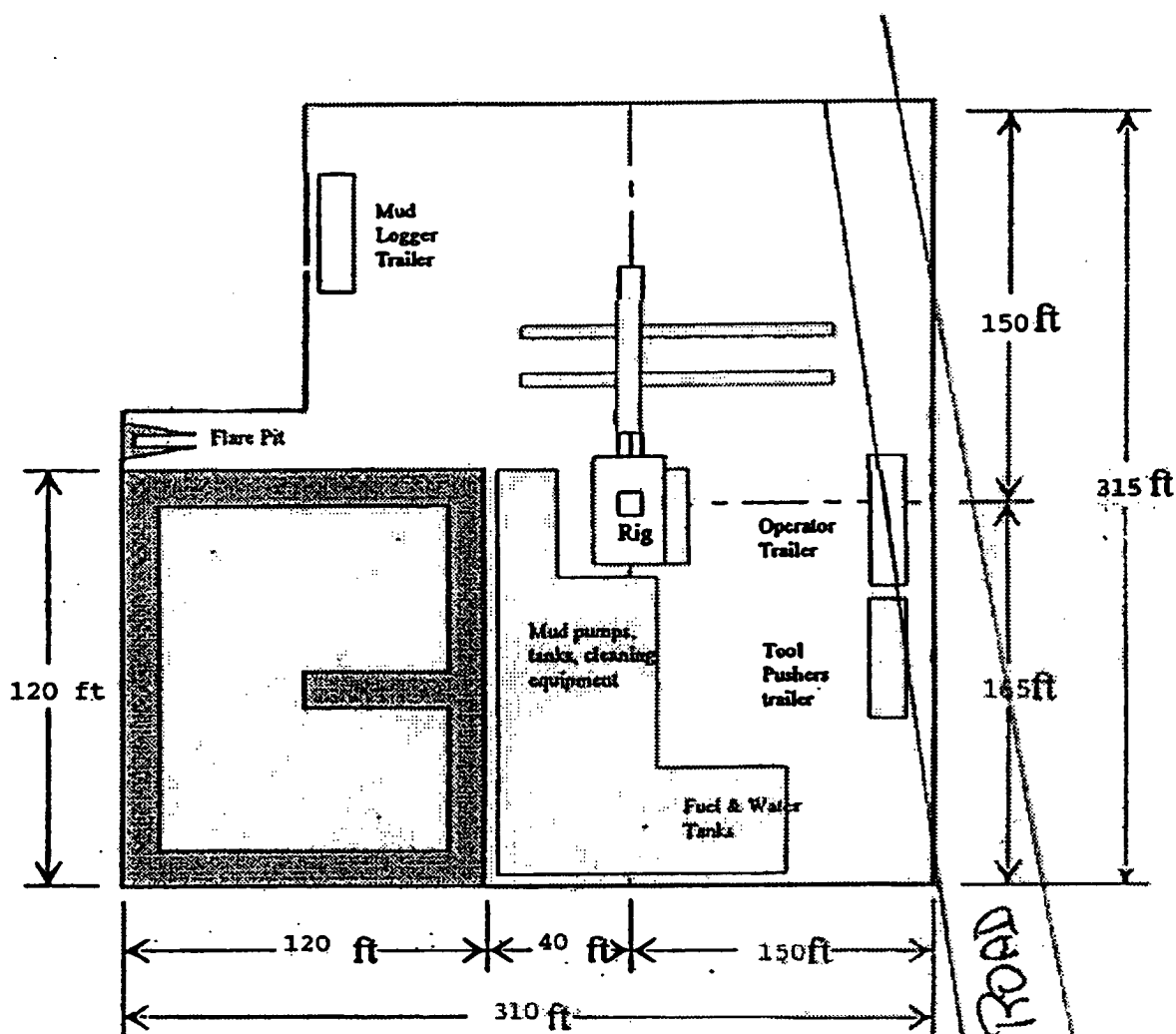


# Yates Petroleum Corporation

Location Layout for Permian Basin  
Up to 12,000'

*Pits North.*

Yates Petroleum Corporation  
Dixon & Yates LM Federal Com #2  
660' FNL & 1650' FWL  
Section. 28 -T18S-R29E  
Eddy County, New Mexico  
Exhibit "C"



Distance from Well Head to Reserve Pit will vary between rigs

The above dimension should be a maximum