

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

RECEIVED

DEC - 1 2003

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


APPLICATION FOR PERMIT TO DRILL OR REENTER **OCD-ARTESIA**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-33266
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Not Applicable
2. Name of Operator Yates Petroleum Corporation		7. If Unit or CA Agreement, Name and No. Not Applicable
3A. Address 105 South Fourth Street Artesia, New Mexico 88210	3b. Phone No. (include area code) (505) 748-1471	8. Lease Name and Well No. Huggins Federal #4
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1400' FNL and 660' FEL At proposed prod. Zone same as above		9. API Well No. 30-005-63627
14. Distance in miles and direction from nearest town or post office* Approximately thirty-three (33) miles NE of Roswell, NM		10. Field and Pool, or Exploratory Basement
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 160	11. Sec., T., R., M., or Blk. and Survey or Area Section 15, T5S-R24E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1500'	19. Proposed Depth 5310'	12. County or Parish Chaves
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3951' GL	22. Approximate date work will start* ASAP	13. State NM
20. BLM/BIA Bond No. on file NM-2811		
23. Estimated duration 30 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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 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. | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) Robert Asher	Date 10/14/03
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Title:

Regulatory Agent

Approved by (Signature) /S/LARRY D. BRAY	Name (Printed/Typed) /S/LARRY D. BRAY	Date NOV 26 2003
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Title Assistant Field Manager, Lands And Minerals	Office ROSWELL FIELD OFFICE	APPROVED FOR 1 YEAR
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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.

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)

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

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-102

Revised August 15, 2000

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies



AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Basement	
⁴ Property Code		⁵ Property Name HUGGINS FEDERAL			⁶ Well Number 4
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3951'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	15	5S	24E		1400	North	660	East	Chaves

¹¹ 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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Robert Asher Printed Name Regulatory Agent Title 10/13/2003 Date	
	¹⁸ 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

DISTRICT I
P.O. Box 1883, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Dept.

Form C-11
Revised February 10, 19
Instruction on ba
Submit to Appropriate District Offi
State Lease - 4 Copi
Fee Lease - 3 Copi

DISTRICT II
P.O. Drawer DD, Arcoma, NM 88210

DISTRICT III
1630 Rio Bravo Rd., Artec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPOI

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
			Pecos Slope Abo
Property Code	Property Name		Well Number
	HUGGINS FEDERAL		4
OGRID No.	Operator Name		Elevation
025575	YATES PETROLEUM CORPORATION		3951

Surface Location

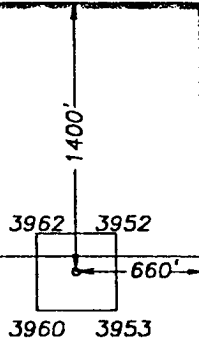
UI or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Count
H	15	5S	24E		1400	NORTH	660	EAST	CHA

Bottom Hole Location If Different From Surface

UI or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Count

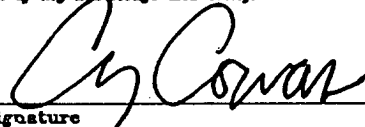
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160 520			

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

		NM- 33266	

OPERATOR CERTIFICATION

I hereby certify the the informatio
contained herein is true and complete to th
best of my knowledge and belief.



Signature

Cy Cowan

Printed Name

Regulatory Agent

Title

September 21, 2000

Date

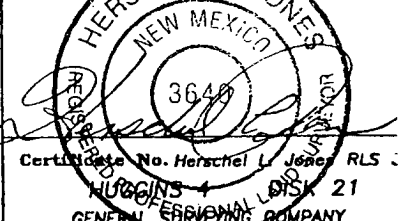
SURVEYOR CERTIFICATION

I hereby certify that the well location shou
on this plat was plotted from field notes
actual surveys made by me or under
supervision, and that the same is true
correct to the best of my belief.

1/06/2000

Date Surveyed

Signature of Registered
Professional Surveyor



YATES PETROLEUM CORPORATION
Huggins Federal #4
1400' FNL & 660' FEL
Section 15-T5S-R24E
Chaves County, New Mexico

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

San Andres	585'	Abo	3545'
Glorieta	1425'	Wolfcamp	4360'
Yeso	1540'	Granite Basement	5160'
Tubb	2910'	TD	5310'

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

Water: 225'-325'
Oil or Gas: 5160'

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)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Size 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	0-900'	900'
11"	8 5/8" *	24#	J-55	ST&C	0-1500'	1500'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-5200'	5200'

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

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80
2. Yates Petroleum Corporation requests 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 to the greater expense of hiring an independent service company 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 formation requires treatment before it flows.

B. CEMENTING PROGRAM:

Surface casing: Cement with 200 sx Lite "C" (Yield 2.0 Wt. 12.5).
Tail in with 200 sx "C" + 2% CaCl₂ (Yield 1.33, Wt. 15.6).

Intermediate casing: 300 sx Lite (Yield 2.0, Wt. 12.0). Tail in with 200 sx
Class "C" + 2% CaCl₂ (Yield 1.33 Wt. 14.8)

Production Casing: TOC 3000'. Cement with 450 sx PVL (Yield 1.34 Wt. 13.0).

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud-900'	FW Gel/Paper/LCM	8.6-9.0	32-36	N/C
900'-1500'	FW or Cut Brine	8.4-9.0	29	N/C
1500'-3520'	Brine	10.0-10.2	28	N/C
3520'-5200'	Salt Gel/Starch	9.3-10.2	34-45	<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: 20' samples out from under surface casing to TD.

Logging: DLL/MSFL, Neutron Density TD to surface casing; with GR/CNL to surface.

Coring: Sidewall.

DST's: None.

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

Anticipated BHP:

From: 0 To: 900' Anticipated Max. BHP: 375 PSI

From: 900' To: TD Anticipated Max. BHP: 2400 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None.

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 15 days to drill the well with completion taking another 15 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
YATES PETROLEUM CORPORATION
Huggins Federal #4
1400' FNL & 660' FEL
Section 15-T5S-R24E
Chaves 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 wellsite is located approximately 33 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go north of Roswell on Highway 285 for approximately 23 miles to Dona Ana. Turn east on Dona Ana Road and go approximately 7.1 miles, continue northeast on Dona Ana Road and go approximately 4 miles to the Stancell Corral. Continue north for approximately 0.2 of a mile. Turn left and go approximately 0.6 of a mile to the second well location on the right side of the road. Follow the lease road to the north and cross Huggins Draw. Continue north on road (passing MYCO well sign). Continue north to the Huggins Federal #1 well site on the right. The access road will start here going east.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 1300' in length from the point of origin to the southeast corner of the drilling pad. The road will lie in a(n) west to east 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. Traffic turnouts may 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 wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

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:

Dirt contractor will locate closest pit and obtain any material and permits if 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.
- D. Pad will be rotated with the pits to the south.

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 wellsite 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, Roswell, 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:

Robert Asher
Regulatory Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

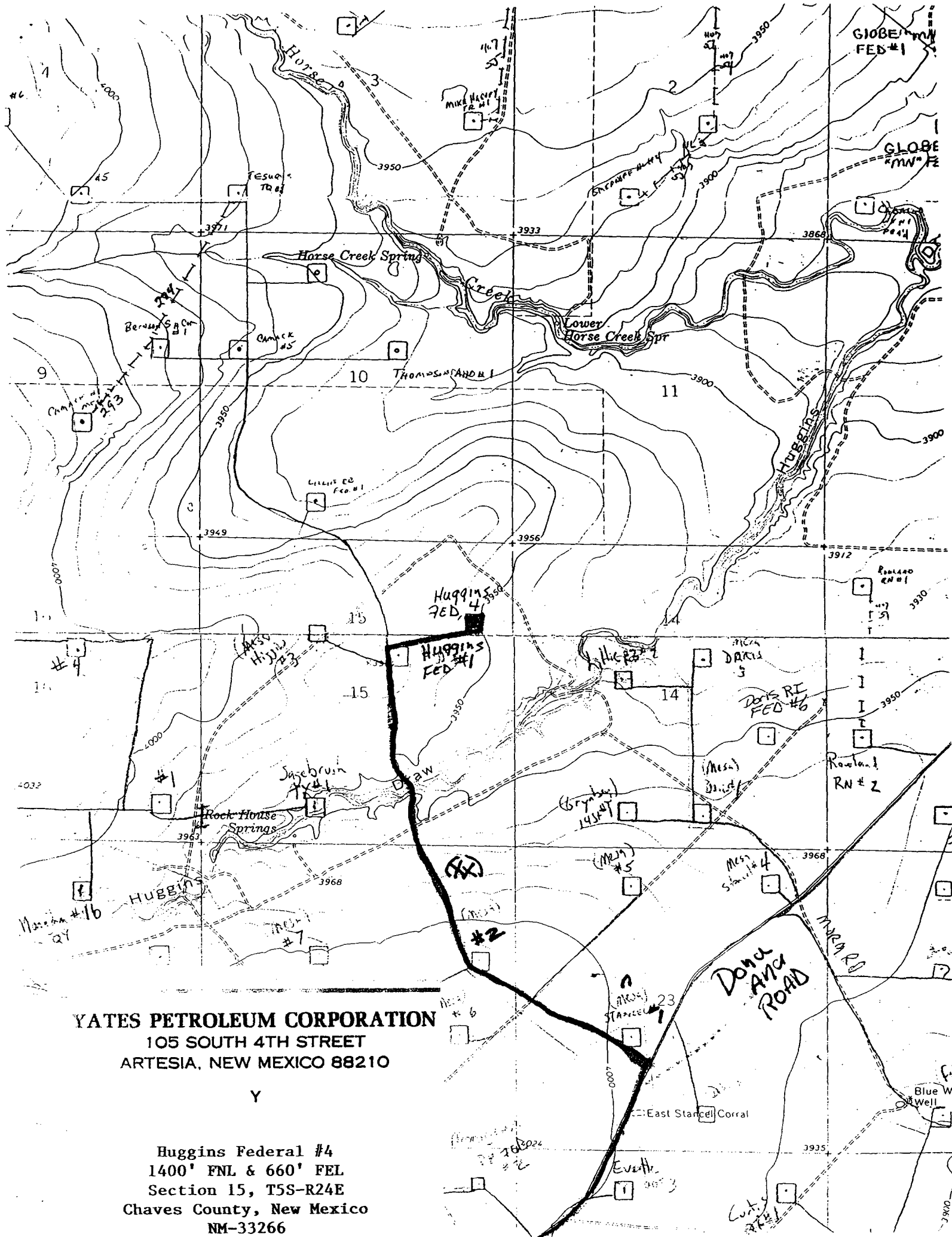
B. Through Drilling Operations,
Completions and Production:
Pinson McWhorter
Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

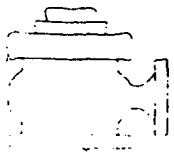
14. CERTIFICATION:

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.

10/13/2003


Regulatory Agent





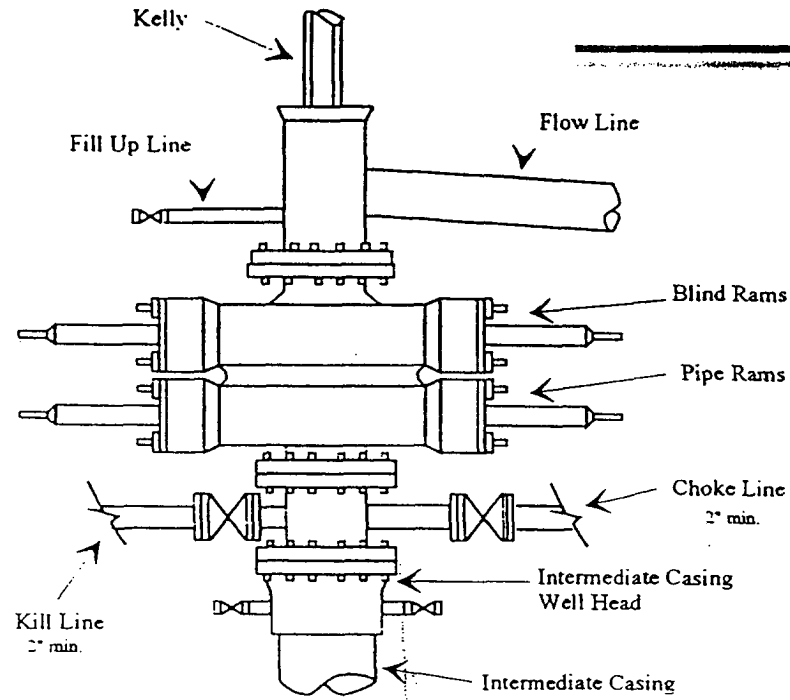
Yates Petroleum Corporation

BOP-2

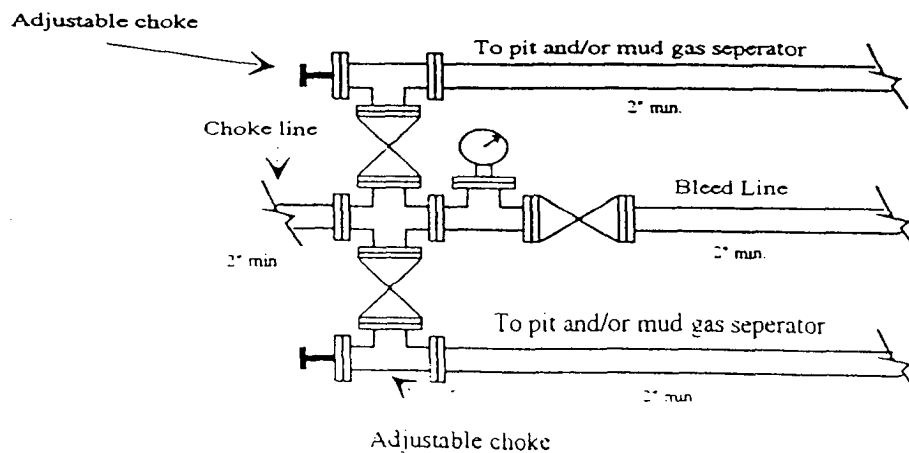
Typical 2,000 psi Pressure System
Schematic

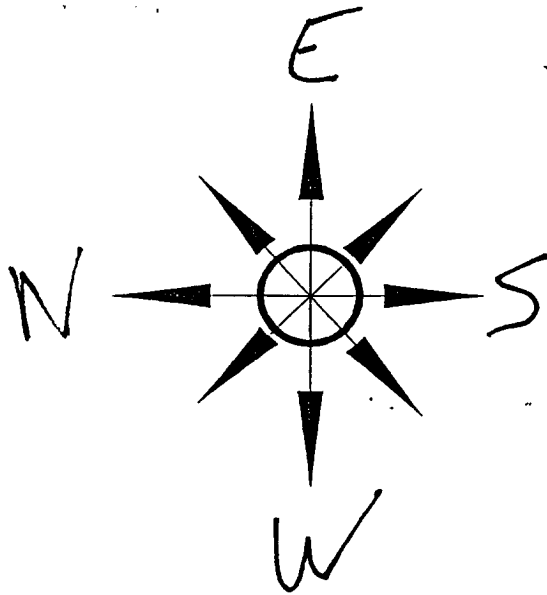
Double Ram Preventer Stack

Huggins Federal #4
1400' FNL & 660' FEL
Section 15, T5S-R24E
Chaves County, New Mexico
NM-33266



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



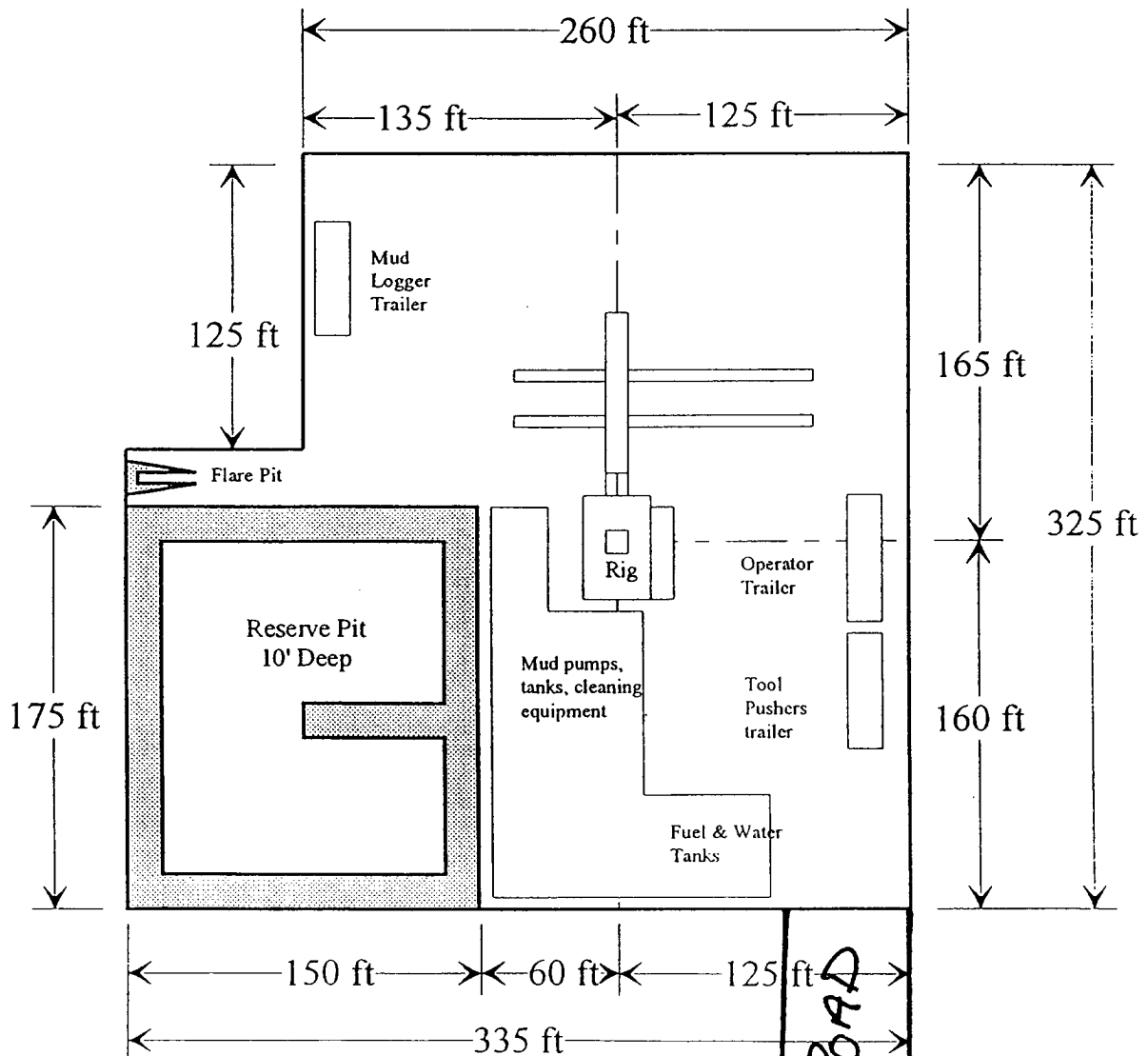


PB - L1

Yates Petroleum Corporation

Location Layout for Permian Basin
Up to 12,000'

Huggins Federal #4
1400' FNL & 660' FEL
Section 15, T5S-R24E
Chaves County, New Mexico
NM-33266

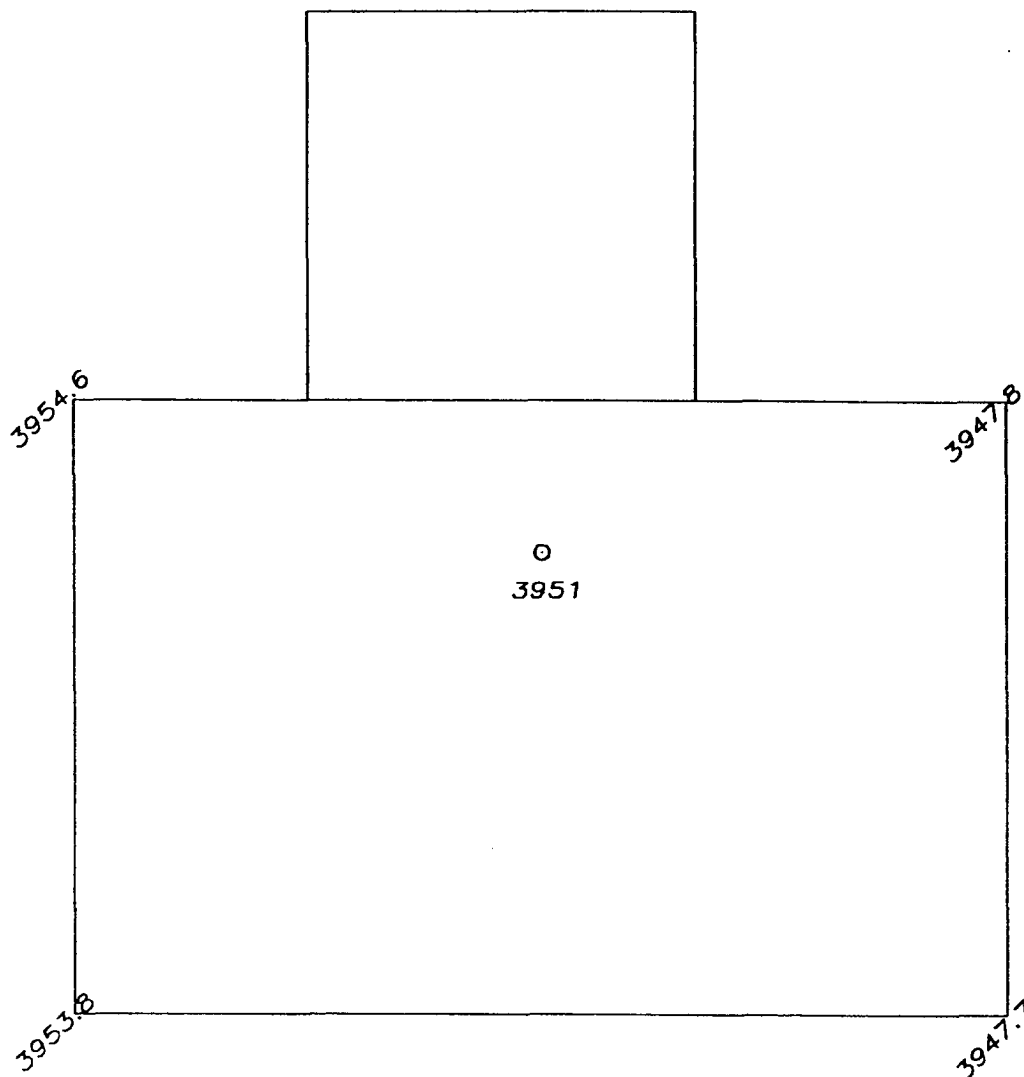


Distance from Well Head to Reserve Pit will vary between rigs

The above dimension should be a maximum

ACCESS ROAD

YATES PETROLEUM CORPORATION HUGGINS FEDERAL 4 1400/N & 660/E
SECTION 15, TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.



50' 0 50' 100'
Scale 1" = 50'

THE PREPARATION OF THIS PLAN AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAN 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 JONES - P.L.S. No. 3640

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

YATES PETROLEUM CORP

WELL PAD PLAN VIEW ON THE YATES HUGGINS
FEDERAL #4 LOCATED 1400/N AND 660/E OF
SECTION 15, TOWNSHIP 5 SOUTH, RANGE 24
EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

Survey Date: 1/05/2000	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 1/05/00	Scale 1" = 50' HUGGINS

YATES PETROLEUM CORPORATION
105 SOUTH 4TH STREET
ARTESIA, NEW MEXICO 88210

Y
Huggins Federal #4
1400' FNL & 660' FEL
Section 15, T5S-R24E
Chaves County, New Mexico
NM-33266

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