

Form 3160-3
(August 1999)

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

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

5. Lease Serial No.

NM-78213

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

Walt Canyon AMA Federal #9

9. API Well No.

30-015-32468

10. Field and Pool, or Exploratory

Indian Basin Upper Penn Assoc.

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

Section 3, T22S-R24E

12. County or Parish

Eddy County

13. State

NM

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

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 1370' FSL and 915' FWL
At proposed prod. Zone 660' FSL and 660' FSL

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

Approximately 32 miles 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)

1370'

16. No. of Acres in lease

931.24

17. Spacing Unit dedicated to this well

W 1/2

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

150'

19. Proposed Depth

8600'

20. BLM/BIA Bond No. on file

585997

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

4024' 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

9/6/02

Title:

Regulatory Agent

Approved by (Signature)

/S/ JOE G. LARA

Name (Printed/Typed)

/S/ JOE G. LARA

Date

OCT 10 2002

Title

ACTING 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.

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.

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

100-100000-100000

100-100000-100000

RECEIVED

100-100000-100000

100-100000-100000

District I
1825 N. Franch 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 Code	Pool Name
		Indian Basin Upper Penn Associated
Property Code	Property Name	Well Number
	WALT CANYON "AMA" FEDERAL	9
OGRID No. 025575	Operation Name	Elevation
	YATES PETROLEUM CORPORATION	4024

Surface Location

UL or Lot No. L	Section 3	Township 22-S	Range 24-E	Lot Idn.	Feet from the 1370	North/South line SOUTH	Feet from the 915	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or Lot No. M	Section 3	Township 22-S	Range 24-E	Lot Idn.	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line WEST	County EDDY
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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

	OPERATOR CERTIFICATION 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 September 6, 2002	
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 KNOWLEDGE AND BELIEF.	
Date of Survey SEPTEMBER 4, 2002	
Signature and Seal of Professional Surveyor	

YATES PETROLEUM CORPORATION
Walt Canyon AMA Federal #9
1370' FSL and 915' FWL Surface Location
660' FSL and 660' FWL Bottom Hole Location
Sec. 3-T22S-R24E
Eddy County, New Mexico

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

Queen	364'	Wolfcamp	7350'
San Andres	877'	Cisco Canyon Dolomite	8030'
Bone Spring Lime	1650'	Base of Dolomite	8430'
Glorietta	2750'	Lower Canyon	8460'
2 nd Bone Spring	3810'	TD	8600'
3 rd Bone Spring	7040'		

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 3000 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	0-1700'	1700'
8 5/8"	7"	26#	J-55	LT+C	0-100'	100'
8 5/8"	7"	23#	J-55	LT+C	100'-5300'	5200'
8 5/8"	7"	26#	J-55	LT+C	5300'-7300'	2000'
8 5/8"	7"	26#	N-80	LT+C	7300'-8600'	1400'

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

B. CEMENTING PROGRAM:

Surface casing: 950 sx Lite (Yld 2.0 Wt 12.0) tail in with 250 sx Class 'C' with 2%CaCl₂ (Yld 1.32 Wt 14.8).

Production Casing: TOC: 6800' TVD, 6865' MD. 150 scf N₂/150 bbls mud ahead, tail in with 500 sx Super 'C' (Yld 164 Wt 13).

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1700'	FW/Air Mist	8.4-8.6	28	N/C
1700'-8000'	Cut Brine	8.6-9.0	28	N/C
8000'-8600'	SWGel/Starch	9.0-9.4	30-34	<15

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.

Coring: None anticipated.

DST's: As warranted.

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

Anticipated BHP:

From: 0	To: 1700'	Anticipated Max. BHP	700 PSI.
From: 1700'	To: 8600'	Anticipated Max. BHP	4800 PSI.

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: Possible in Canyon.

Maximum Bottom Hole Temperature: 163 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.

Drilling Prognosis
Yates Petroleum Corporation
Walt Canyon AMA Federal #9
1370' FNL and 1915' FWL Surface Location
660' FSL and 660' FEL Bottom Hole Location
Eddy County, New Mexico

Procedure:

Yates Petroleum Corporation plans to drill this well vertically to a depth of 4468'. The hole sizes and casing program are included in the APD. At 4468' the well will then be kicked off with a build rate of 2.5 degrees/100' until a final inclination of 15 degrees is reached. This angle will be held to a depth of approximately 7235' TVD, at which point a drop rate of 2.5 degrees/100' will be used to return the well to vertical. The well will be returned to vertical by 7800' TVD, and the remainder of the well will be drilled vertically to the TVD of 8600' approximately 8690' MD.

Please Note: This well is located in the Indian Basin, near several existing Yates Petroleum Corporation wells. This well be drilled off of the Walt Canyon AMA Federal #2 well location using as much of the #2 well pad as possible in an effort to keep new disturbance to a minimum.

Walt9

Job Number: 1

State/Country: Eddy/NM/USA

Company: Yates Petroleum Corporation

Declination:

Lease/Well: Walt Canyon AMA Federal #9

Grid:

Location: Sec. 3, T22S-R24E, Surf: 1,335' S & 941' W, BH: 660' S & W

Date/Time: 30-Aug-02 / 13:42

Rig Name: N/A

Curve Name:

RKB:

G.L. or M.S.L.:

WINSERVE SURVEY CALCULATIONS

Minimum Curvature Method

Vertical Section Plane 202.60

Vertical Section Referenced to offset from Wellhead: EW =.00 Ft, NS=.00 Ft

Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
KOP-4,468'									
4467.85	.00	202.60	4467.85	.00	.00	.00	.00	.00	.00
4497.85	.75	202.60	4497.85	-.18	-.08	.20	.20	202.60	2.50
4527.85	1.50	202.60	4527.84	-.73	-.30	.79	.79	202.60	2.50
4557.85	2.25	202.60	4557.82	-1.63	-.68	1.77	1.77	202.60	2.50
4587.85	3.00	202.60	4587.79	-2.90	-1.21	3.14	3.14	202.60	2.50
4617.85	3.75	202.60	4617.74	-4.53	-1.89	4.91	4.91	202.60	2.50
4647.85	4.50	202.60	4647.66	-6.52	-2.72	7.06	7.06	202.60	2.50
4677.85	5.25	202.60	4677.55	-8.88	-3.70	9.61	9.61	202.60	2.50
4707.85	6.00	202.60	4707.41	-11.59	-4.83	12.55	12.55	202.60	2.50
4737.85	6.75	202.60	4737.22	-14.67	-6.11	15.89	15.89	202.60	2.50
4767.85	7.50	202.60	4766.99	-18.10	-7.54	19.61	19.61	202.60	2.50
4797.85	8.25	202.60	4796.71	-21.90	-9.12	23.72	23.72	202.60	2.50
4827.85	9.00	202.60	4826.37	-26.05	-10.84	28.22	28.22	202.60	2.50
4857.85	9.75	202.60	4855.97	-30.56	-12.72	33.10	33.10	202.60	2.50
4887.85	10.50	202.60	4885.50	-35.43	-14.75	38.38	38.38	202.60	2.50
4917.85	11.25	202.60	4914.96	-40.65	-16.92	44.04	44.04	202.60	2.50
4947.85	12.00	202.60	4944.34	-46.24	-19.25	50.08	50.08	202.60	2.50
4977.85	12.75	202.60	4973.65	-52.17	-21.72	56.51	56.51	202.60	2.50
5007.85	13.50	202.60	5002.86	-58.46	-24.34	63.32	63.32	202.60	2.50
5037.85	14.25	202.60	5031.99	-65.10	-27.10	70.52	70.52	202.60	2.50
End of build, hold 15 deg angle.									
5067.85	15.00	202.60	5061.02	-72.09	-30.01	78.09	78.09	202.60	2.50
5067.85	15.00	202.60	5061.02	-72.09	-30.01	78.09	78.09	202.60	2.76
5167.85	15.00	202.60	5157.61	-95.99	-39.96	103.97	103.97	202.60	.00
5267.85	15.00	202.60	5254.20	-119.88	-49.91	129.86	129.86	202.60	.00
5367.85	15.00	202.60	5350.79	-143.78	-59.85	155.74	155.74	202.60	.00

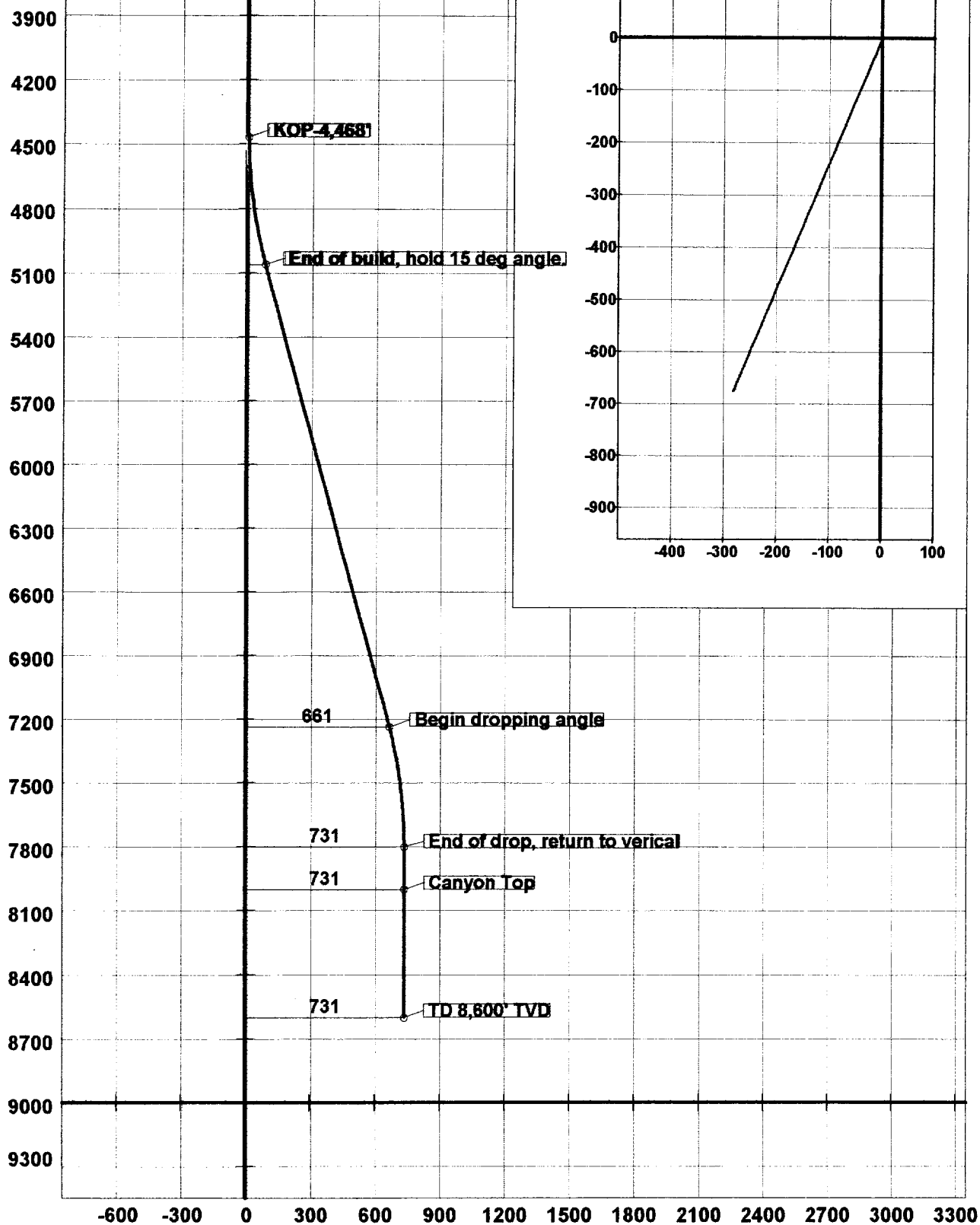
PAGE - 1

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Walt9		Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
				N-S FT	E-W FT				
5467.85	15.00	202.60	5447.39	-167.67	-69.80	181.62	181.62	202.60	.00
5567.85	15.00	202.60	5543.98	-191.57	-79.75	207.50	207.50	202.60	.00
5667.85	15.00	202.60	5640.57	-215.46	-89.69	233.38	233.38	202.60	.00
5767.85	15.00	202.60	5737.16	-239.35	-99.64	259.27	259.27	202.60	.00
5867.85	15.00	202.60	5833.76	-263.25	-109.59	285.15	285.15	202.60	.00
5967.85	15.00	202.60	5930.35	-287.14	-119.54	311.03	311.03	202.60	.00
6067.85	15.00	202.60	6026.94	-311.04	-129.48	336.91	336.91	202.60	.00
6167.85	15.00	202.60	6123.53	-334.93	-139.43	362.79	362.79	202.60	.00
6267.85	15.00	202.60	6220.13	-358.82	-149.38	388.68	388.68	202.60	.00
6367.85	15.00	202.60	6316.72	-382.72	-159.32	414.56	414.56	202.60	.00
6467.85	15.00	202.60	6413.31	-406.61	-169.27	440.44	440.44	202.60	.00
6567.85	15.00	202.60	6509.90	-430.51	-179.22	466.32	466.32	202.60	.00
6667.85	15.00	202.60	6606.50	-454.40	-189.17	492.20	492.20	202.60	.00
6767.85	15.00	202.60	6703.09	-478.29	-199.11	518.08	518.08	202.60	.00
6867.85	15.00	202.60	6799.68	-502.19	-209.06	543.97	543.97	202.60	.00
6967.85	15.00	202.60	6896.27	-526.08	-219.01	569.85	569.85	202.60	.00
7067.85	15.00	202.60	6992.87	-549.98	-228.95	595.73	595.73	202.60	.00
7167.85	15.00	202.60	7089.46	-573.87	-238.90	621.61	621.61	202.60	.00
7267.85	15.00	202.60	7186.05	-597.77	-248.85	647.49	647.49	202.60	.00
7289.36	15.00	202.60	7206.83	-602.91	-250.99	653.06	653.06	202.60	.00
Begin dropping angle									
7319.36	14.25	202.60	7235.86	-609.90	-253.90	660.64	660.64	202.60	2.50
7349.36	13.50	202.60	7264.98	-616.54	-256.66	667.83	667.83	202.60	2.50
7379.36	12.75	202.60	7294.20	-622.83	-259.28	674.64	674.64	202.60	2.50
7409.36	12.00	202.60	7323.50	-628.76	-261.75	681.07	681.07	202.60	2.50
7439.36	11.25	202.60	7352.89	-634.35	-264.08	687.12	687.12	202.60	2.50
7469.36	10.50	202.60	7382.35	-639.57	-266.25	692.78	692.78	202.60	2.50
7499.36	9.75	202.60	7411.88	-644.44	-268.28	698.05	698.05	202.60	2.50
7529.36	9.00	202.60	7441.48	-648.95	-270.16	702.94	702.94	202.60	2.50
7559.36	8.25	202.60	7471.14	-653.10	-271.88	707.44	707.44	202.60	2.50
7589.36	7.50	202.60	7500.86	-656.90	-273.46	711.55	711.55	202.60	2.50
7619.36	6.75	202.60	7530.62	-660.33	-274.89	715.27	715.27	202.60	2.50
7649.36	6.00	202.60	7560.44	-663.41	-276.17	718.60	718.60	202.60	2.50
7679.36	5.25	202.60	7590.29	-666.12	-277.30	721.54	721.54	202.60	2.50
7709.36	4.50	202.60	7620.19	-668.48	-278.28	724.09	724.09	202.60	2.50
7739.36	3.75	202.60	7650.11	-670.47	-279.11	726.25	726.25	202.60	2.50
7769.36	3.00	202.60	7680.05	-672.10	-279.79	728.01	728.01	202.60	2.50
7799.36	2.25	202.60	7710.02	-673.37	-280.32	729.39	729.39	202.60	2.50
7829.36	1.50	202.60	7740.01	-674.27	-280.70	730.37	730.37	202.60	2.50
7859.36	.75	202.60	7770.00	-674.82	-280.92	730.96	730.96	202.60	2.50
End of drop, return to vertical									
7889.36	.00	202.60	7800.00	-675.00	-281.00	731.15	731.15	202.60	2.50

PAGE - 2

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
7889.36	.00	202.60	7800.00	-675.00	-281.00	731.15	731.15	202.60	2.76
7989.36	.00	202.60	7900.00	-675.00	-281.00	731.15	731.15	202.60	.00

Company: Yates Petroleum Corporation
 Lease/Well: Walt Canyon AMA Federal #9
 Location: Sec. 3, T22S-R24E, Surf: 1,335' S & 941' W, BH: 660' S & W
 State/Country: Eddy/NM/USA



MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Walt Canyon AMA Federal #9

1370' FSL and 915' FWL Surface Location

660' FSL and 660' FWL Bottom Hole Location

Sec. 3-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 wellsite 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 on Highway 137 and go approximately 14 miles. Turn south on lease for 1.9 Miles. Road will fork. Take the right fork and go .6 of a mile to the Anemone Federal #2 Battery. Continue east on lease road for approx. .3 of a mile and continue going east on main lease road for approximately another .7 of a mile. Turn left here and follow lease road for approx. .4 of a mile to the Walt Canyon AMA Federal #2 well. The well pad for the proposed Walt Canyon AMA Federal will be located on Walt Canyon AMA Federal #2 well location.

2. PLANNED ACCESS ROAD

No new access road will be needed.

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:

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 land fill. 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 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 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, 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

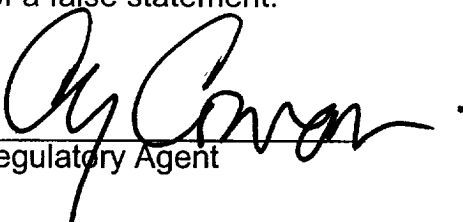
B. Through Drilling Operations,
Completions and Production:

Pinson Mc Whorter, 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.

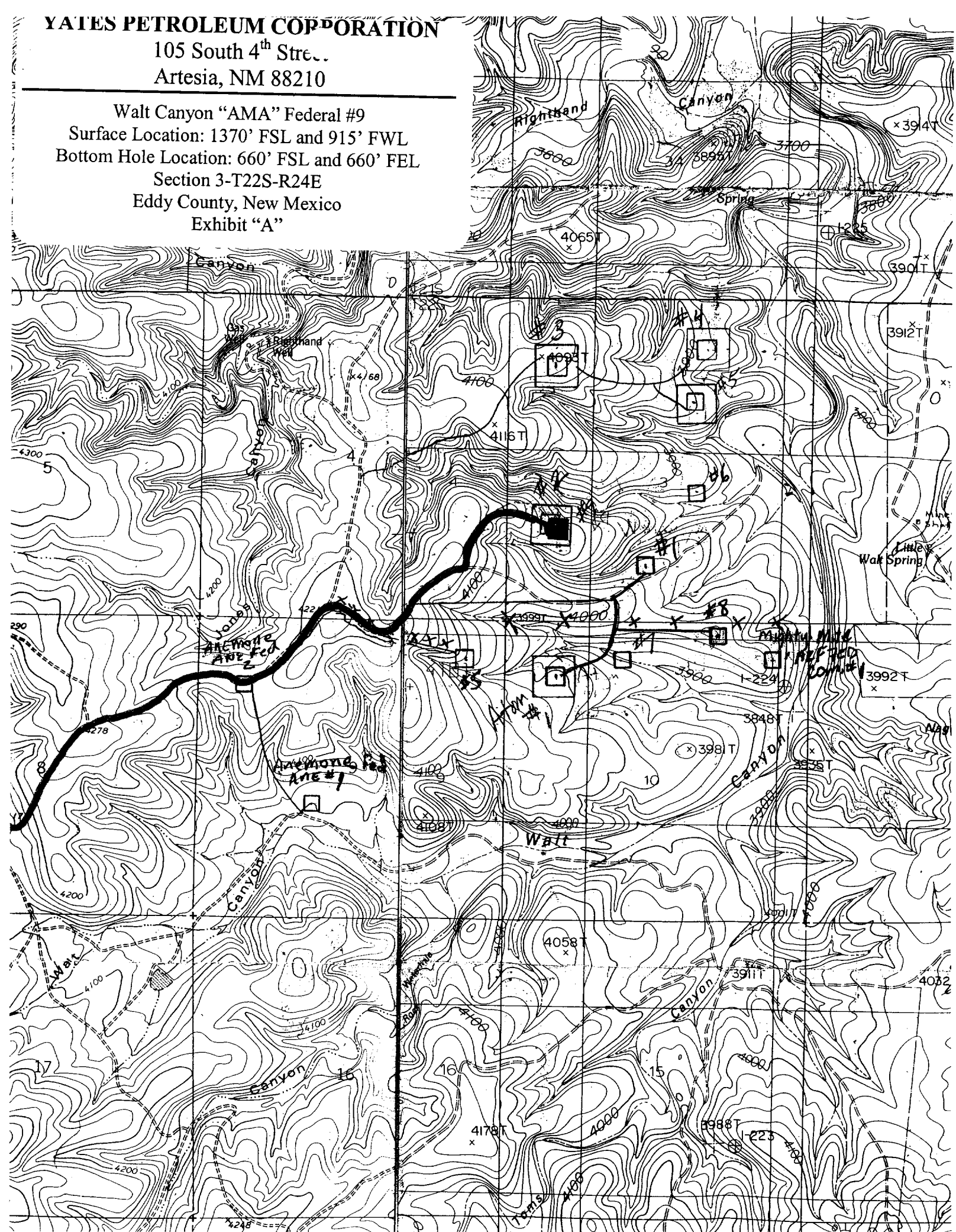
9/6/02


Regulatory Agent

PLEASE REFER TO ARCHAEOLOGICAL REPORT ON FILE WITH YOUR OFFICE DONE BY SOUTHWEST ARCHAEOLOGICAL SERVICES INC. REPORT #94-SASI-093S DATED SEPTEMBER 8, 1994. THIS WELL LOCATION FALLS INSIDE OF THE 600' X 600' COVERED BY THIS ARCHAEOLOGICAL REPORT. A NEW SURVEY WILL NOT BE NEEDED. IF YOU WISH TO DISCUSS THIS MATTER FURTHER PLEASE ADVISE.

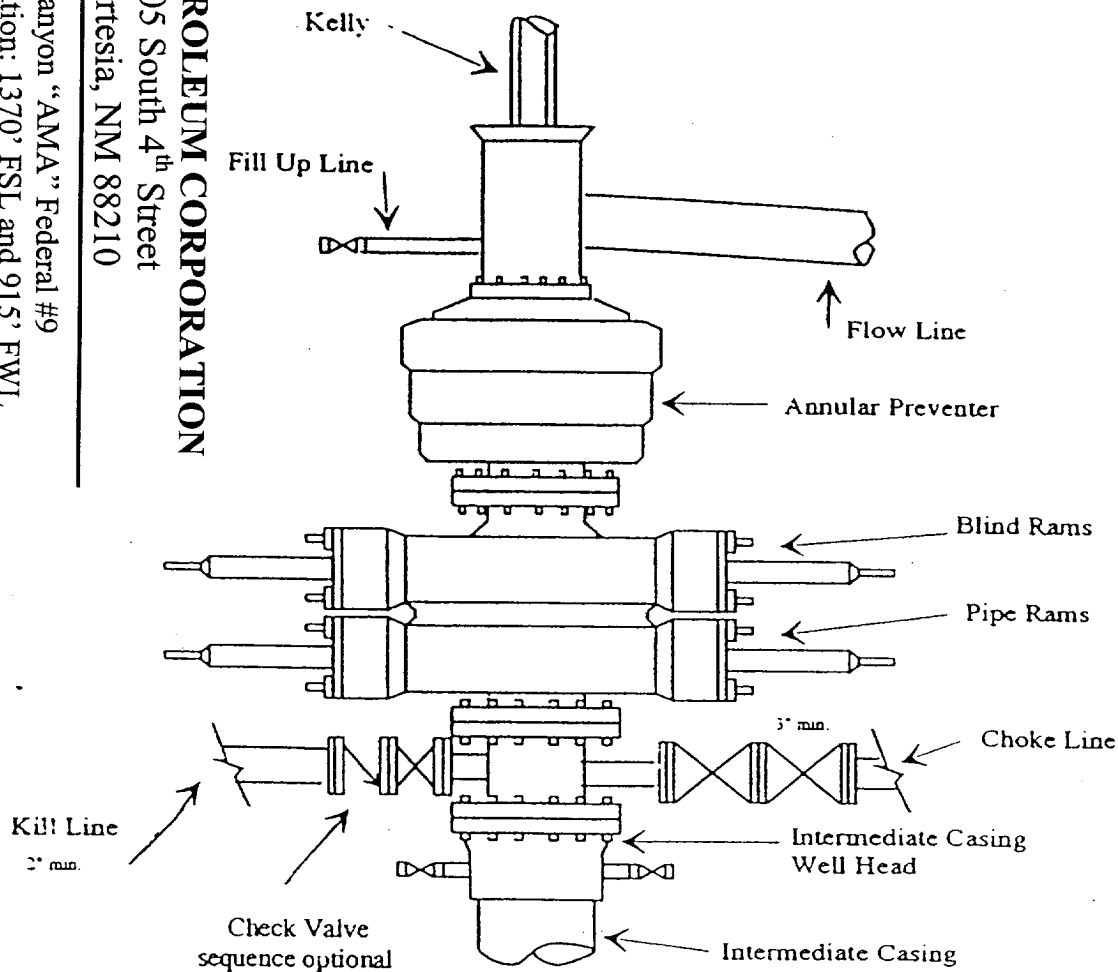
Artesia, NM 88210

Exhibit "A"

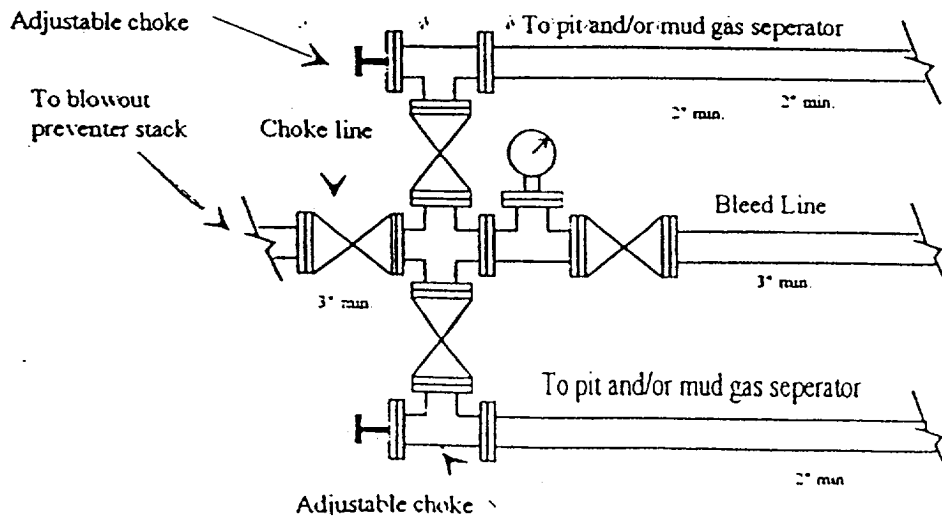


Yates Petroleum Corporation

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, NM 88210

Walt Canyon "AMA" Federal #9

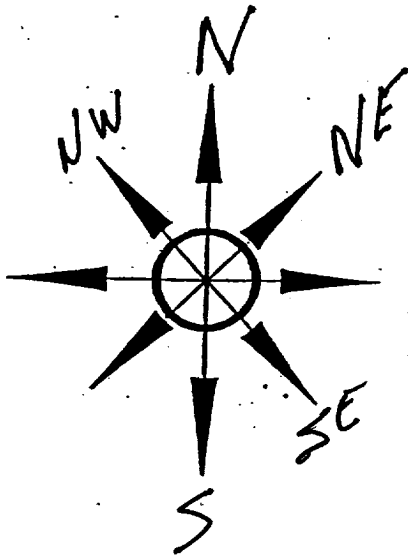
Surface Location: 1370' FSL and 915' FWL

Bottom Hole Location: 660' FSL and 660' FEL

Section 3-T22S-R24E

Eddy County, New Mexico

Exhibit "B"

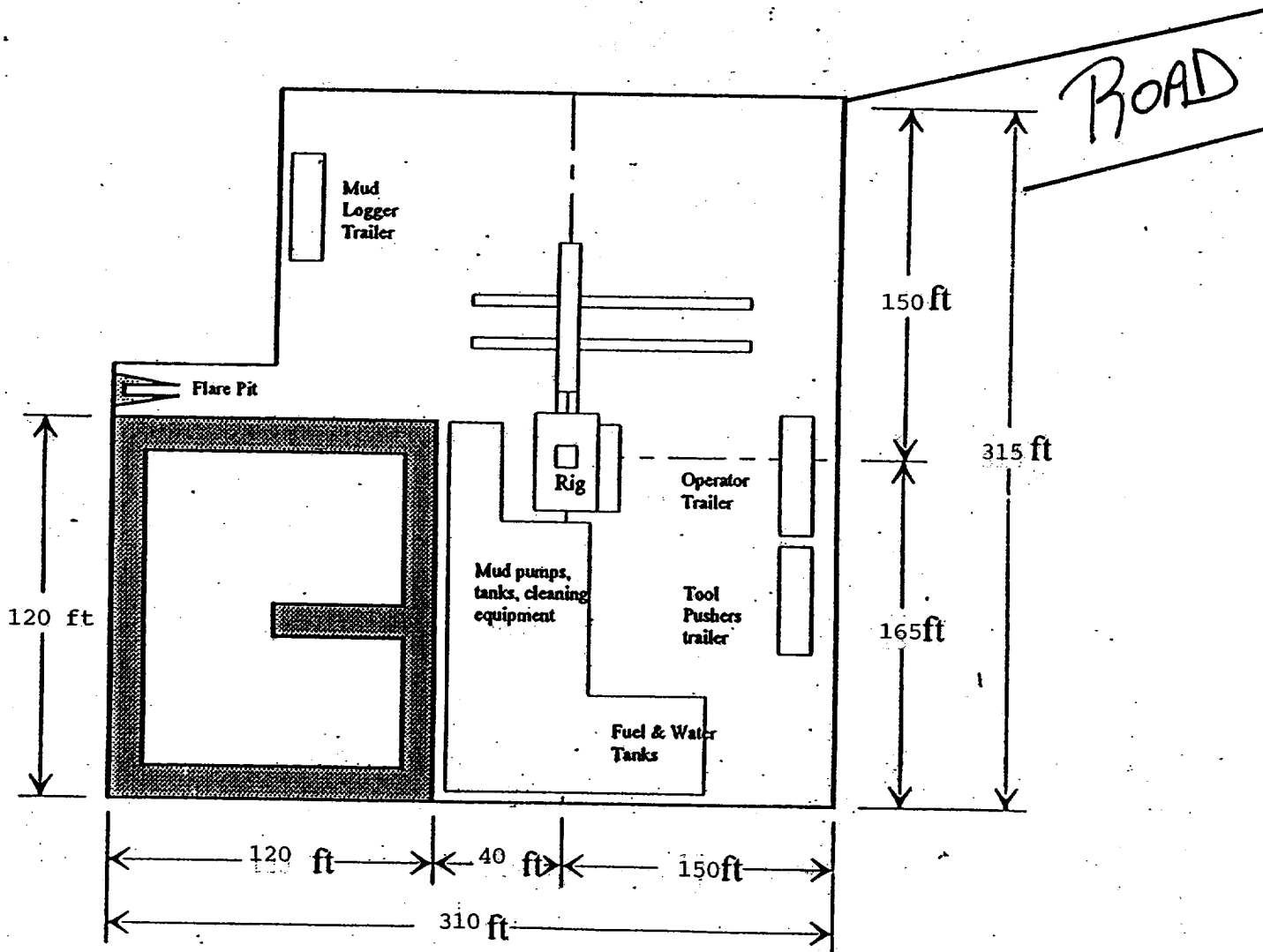


Yates Petroleum Corporation
 Location Layout for Permian Basin
 Up to 12,000'

*Pits South East
 V-Door NE*

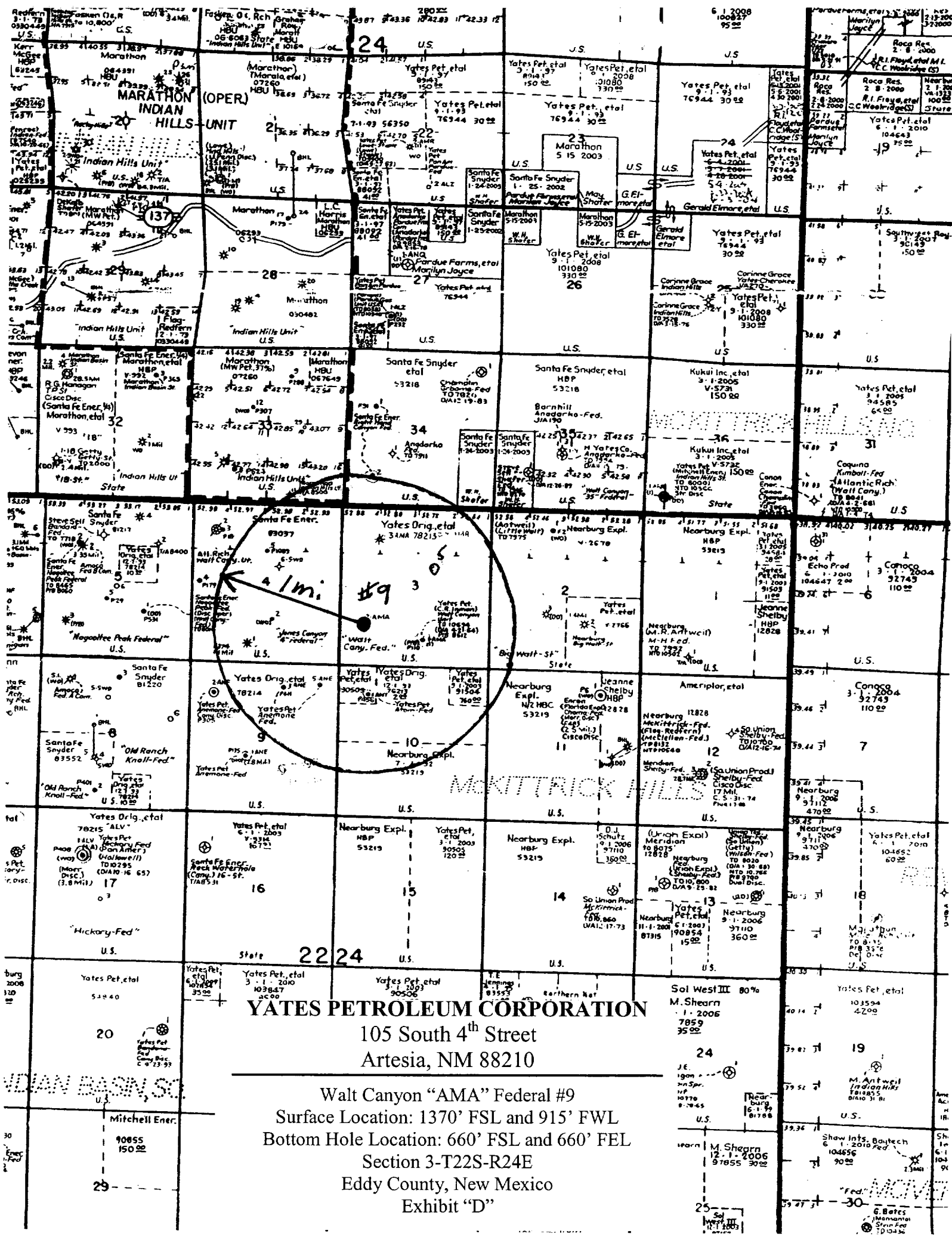
YATES PETROLEUM CORPORATION
 105 South 4th Street
 Artesia, NM 88210

Walt Canyon "AMA" Federal #9
 Surface Location: 1370' FSL and 915' FWL
 Bottom Hole Location: 660' FSL and 660' FEL
 Section 3-T22S-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



YATES PETROLEUM CORPORATION

105 South 4th Street
Artesia, NM 88210

Walt Canyon "AMA" Federal #9
Surface Location: 1370' FSL and 915' FWL
Bottom Hole Location: 660' FSL and 660' FEL
Section 3-T22S-R24E
Eddy County, New Mexico
Exhibit "D"