

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

0450

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

F-04-16

RECEIVED

APR 15 2004

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ **DRILL** ☐ **REENTER** **OCB-ARTESIA**

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 **214' FNL & 1561' FEL SUBJECT TO LIKE**

At proposed prod. Zone **660' FNL & 1980' FEL APPROVAL BY STATE Section 10, T22S-R24E**

14. Distance in miles and direction from nearest town or post office*
Approximately 32 miles NW of Carlsbad, New Mexico

5. Lease Serial No.
NM-78213

6. If Indian, Allottee or Tribe Name
Walt Canyon AMA Federal Com. #8

7. If Unit or CA Agreement, Name and No.
30-015 33871

8. Lease Name and Well No.
Indian Basin Upper Penn Associated

9. API Well No.
Section 10, T22S-R24E

10. Field and Pool, or Exploratory
Eddy County NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
214'

16. No. of Acres in lease
931.24

17. Spacing Unit dedicated to this well
N/2 - 320 acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
1800'

19. Proposed Depth
10,500'

20. BLM/BIA Bond No. on file
585997

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3980'

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 *Cy Cowan* Name (Printed/Typed) **Cy Cowan/Land Department** Date **3/10/04**

email: debbiec@ypcnm.com

Title: **Regulatory Agent**

Approved by (Signature) */s/ Joe G. Lara* Name (Printed/Typed) **/s/ Joe G. Lara** Date **13 APR 2004**

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.

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
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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

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 Indian Basin Upper Penn Associated
⁴ Property Code	⁵ Property Name Walt Canyon AMA Federal Com.	
⁷ OGRID No. 025575	⁶ Well Number 8	⁸ Elevation 3980'

¹⁰ Surface Location

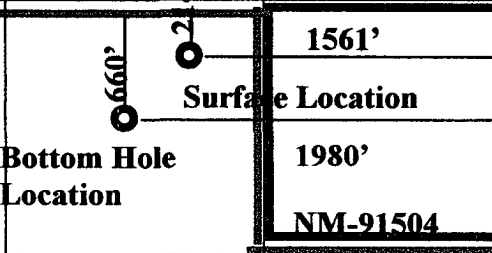
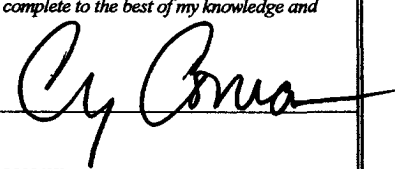
UL or lot no. B	Section 10	Township 22S	Range 24E	Lot Idn	Feet from the 214	North/South line North	Feet from the 1561	East/West line East	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. B	Section 10	Township 22S	Range 24E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line East	County Eddy
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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

NM-90505	NM-78213		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Regulatory Agent Title 03/10/2004 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

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

District I
1625 N. French Dr. Hobbs, NM 88240District II
811 South First, Artesia, NM 88210District III
1000 Rio Brazos Rd., Aztec NM 87410District IV
2040 South Pacheco, Santa Fe, NM 87505State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, N M 87505

☐ 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 FED. COM.	8
OGRID No.	Operation Name	Elevation
025575	YATES PETROLEUM CORPORATION	3980

Surface Location

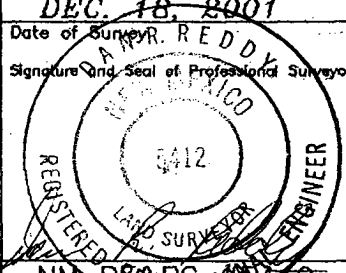
UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
B	10	22-S	24-E		214	NORTH	1561	EAST	EDDY

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
B	10	22-S	24-E		660	NORTH	1980	EAST	EDDY

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

NM-90505 NM-78213 660' SURFACE LOCATION 1980' NM-91504 BOTTOM HOLE LOCATION	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.	
	Signature <i>Cy Cowan</i> Printed Name Cy Cowan Title Regulatory Agent Date 1/21/02	
	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.	
	DEC. 18, 2001 Date of Survey Signature and Seal of Professional Surveyor  NM PROFESSIONAL ENGINEER Certificate Number	

YATES PETROLEUM CORPORATION
Walt Canyon AMA Federal Com #8
 214' FNL and 1561' FEL – Surface Location
 660' FNL and 1980' FEL – Bottom Hole Location
 Sec. 10-T22S-R24E
 Eddy County, New Mexico

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

San Andres	1175'	Cisco Canyon Dolomite	7955'
Glorietta	2615'	Base of Dolomite	8495'
Bone Springs	3015'	Strawn	8845'
2 nd Bone Springs	4495'	Atoka	9605'
3 rd Bone Springs	7165'	Morrow Clastics	10090'
Wolfcamp	7365'	Chester	10355'
		TD	10500'

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	0-1600'	1600'
8 3/4"	7"	26#	L-80	LT+C	0-1500'	1500'
8 3/4"	7"	26#	J-55	LT+C	1500'-6800'	5300'
8 3/4"	7"	26#	N-80	LT+C	6800'-9100'	2300'
8 3/4"	7"	26#	S-95	LT+C	9100'-10574'	1474'

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

B. CEMENTING PROGRAM:

WITNESS Surface casing: 950 sx Lite (YLD 2.0 WT 12.0), Tailed in with 250sx Class 'C' + 2% CaCl₂ (YLD 1.32 WT 14.8).

Production Casing: TOC: 6800' TVD/6850' MD, scf N2/150 bbls mud ahead, Tail in with 550sx Super C (YLD 1.64 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>
0-1600'	FW/Air Mist	8.4- 8.6	28	N/C
1600'-8000'	Cut Brine	8.6-9.0	28	N/C
8000'-10150'	SWGel/Starch	9.0-9.4	30-34	N/C
10150'-TD	SWGel/Starch	9.4-9.8	34-38	<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.

Coring: None anticipated.

DST's: As warranted.

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

Anticipated BHP:

From: 0	To: 1600'	Anticipated Max. BHP	700 PSI.
From: 1600'	To: 10500'	Anticipated Max. BHP	5300 PSI.

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

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

Walt Canyon AMA Federal Com. #8

214' FNL and 1561' FEL – Surface Location

660' FNL and 1980' FEL – Bottom Hole Location

Sec. 10-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 for 1.9 miles. Road will fork. Take right fork and go 0.6 of a mile to the Anemone #2 Battery. Continue east for 0.8 of a mile to the first road going right. Turn right here and go 0.5 of a mile. Turn right and go 0.1 of a mile to a big power line. Turn left under the power line. The new road will start here going east for approx. 0.3 of a mile to the northwest corner of the well location.

2. PLANNED ACCESS ROAD

The new access road will be approximately 0.3 of a mile in length from the point of origin to the northwest corner of the well pad.

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: 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 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.

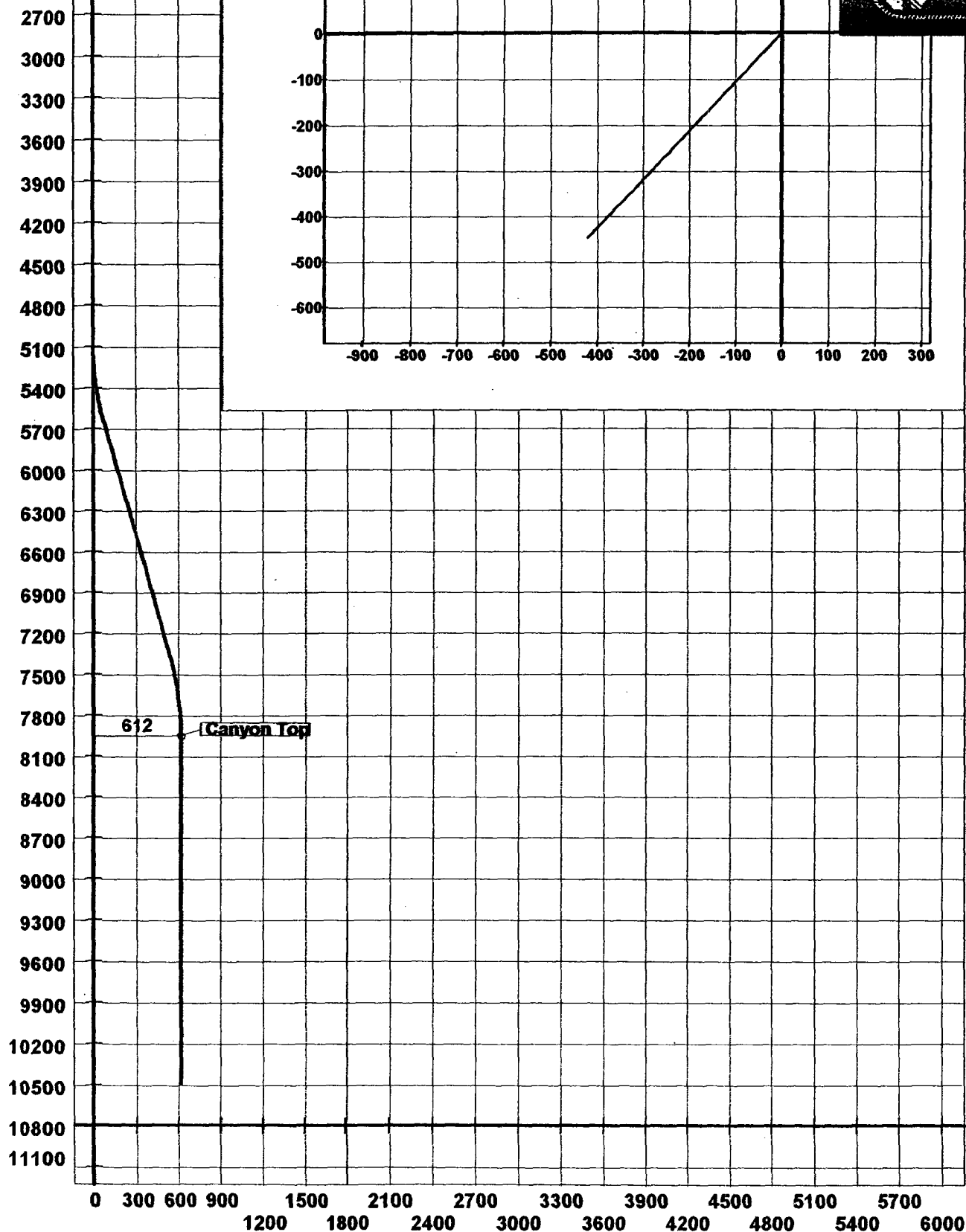
03/10/04


Regulatory Agent

Company: Yates Petroleum Corporation

Lease/Well: Walt Canyon AMA Federal Com. #8

Location: Section 10, T22S-R24E, Surf: 214' N & 1,561' E, BH: 660' N & 1,980' E



○ — △ — ▽ — ◇ —

Job Number: 1

State/Country: Eddy/NM/USA

Company: Yates Petroleum Corporation

Declination:

Lease/Well: Walt Canyon AMA Federal Com. #8

Grid:

Location: Section 10, T22S-R24E, Surf: 214' N & 1,561' E, BH: 660' N & 1,980' E

Date/Time: 24-Jan-02 / 08:23

Rig Name:

Curve Name: Proposed/Preliminary

RKB:

G.L. or M.S.L.: 3,930'

WINSERVE SURVEY CALCULATIONS

Minimum Curvature Method

Vertical Section Plane 223.21

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
RUN GYRO TIE-IN, PU DIRECTIONAL TOOLS, KICK-OFF BUILDING AT A RATE OF 2.5 DEG/100'.									
5067.74	.00	.00	5067.74	.00	.00	.00	.00	.00	.00
5097.74	.75	223.21	5097.74	-.14	-.13	.20	.20	223.21	2.50
5127.74	1.50	223.21	5127.73	-.57	-.54	.79	.79	223.21	2.50
5157.74	2.25	223.21	5157.72	-1.29	-1.21	1.77	1.77	223.21	2.50
5187.74	3.00	223.21	5187.68	-2.29	-2.15	3.14	3.14	223.21	2.50
5217.74	3.75	223.21	5217.63	-3.58	-3.36	4.91	4.91	223.21	2.50
5247.74	4.50	223.21	5247.55	-5.15	-4.84	7.06	7.06	223.21	2.50
5277.74	5.25	223.21	5277.44	-7.01	-6.58	9.61	9.61	223.21	2.50
5307.74	6.00	223.21	5307.30	-9.15	-8.60	12.55	12.55	223.21	2.50
5337.74	6.75	223.21	5337.11	-11.58	-10.88	15.89	15.89	223.21	2.50
5367.74	7.50	223.21	5366.88	-14.29	-13.42	19.61	19.61	223.21	2.50
5397.74	8.25	223.21	5396.60	-17.29	-16.24	23.72	23.72	223.21	2.50
5427.74	9.00	223.21	5426.26	-20.56	-19.32	28.22	28.22	223.21	2.50
5457.74	9.75	223.21	5455.86	-24.13	-22.67	33.10	33.10	223.21	2.50
5487.74	10.50	223.21	5485.39	-27.97	-26.28	38.38	38.38	223.21	2.50
5517.74	11.25	223.21	5514.85	-32.10	-30.15	44.04	44.04	223.21	2.50
5547.74	12.00	223.21	5544.24	-36.50	-34.29	50.08	50.08	223.21	2.50
5577.74	12.75	223.21	5573.54	-41.19	-38.69	56.51	56.51	223.21	2.50
5607.74	13.50	223.21	5602.76	-46.15	-43.36	63.32	63.32	223.21	2.50
5637.74	14.25	223.21	5631.88	-51.39	-48.28	70.52	70.52	223.21	2.50
END OF BUILD. HOLD 15 DEGREE ANGLE, ADJUST AS NECESSARY									
5667.74	15.00	223.21	5660.91	-56.92	-53.47	78.09	78.09	223.21	2.50
5667.74	15.00	223.21	5660.91	-56.92	-53.47	78.09	78.09	223.21	2.76
5767.74	15.00	223.21	5757.50	-75.78	-71.19	103.97	103.97	223.21	.00
5867.74	15.00	223.21	5854.09	-94.64	-88.91	129.86	129.86	223.21	.00
5967.74	15.00	223.21	5950.69	-113.51	-106.63	155.74	155.74	223.21	.00
6067.74	15.00	223.21	6047.28	-132.37	-124.36	181.62	181.62	223.21	.00

Walt8.txt

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
6167.74	15.00	223.21	6143.87	-151.23	-142.08	207.50	207.50	223.21	.00
6267.74	15.00	223.21	6240.46	-170.10	-159.80	233.38	233.38	223.21	.00
6367.74	15.00	223.21	6337.06	-188.96	-177.52	259.27	259.27	223.21	.00
6467.74	15.00	223.21	6433.65	-207.82	-195.24	285.15	285.15	223.21	.00
6567.74	15.00	223.21	6530.24	-226.69	-212.96	311.03	311.03	223.21	.00
6667.74	15.00	223.21	6626.83	-245.55	-230.68	336.91	336.91	223.21	.00
6767.74	15.00	223.21	6723.43	-264.41	-248.41	362.79	362.79	223.21	.00
6867.74	15.00	223.21	6820.02	-283.28	-266.13	388.68	388.68	223.21	.00
6967.74	15.00	223.21	6916.61	-302.14	-283.85	414.56	414.56	223.21	.00
7067.74	15.00	223.21	7013.20	-321.00	-301.57	440.44	440.44	223.21	.00
7167.74	15.00	223.21	7109.80	-339.87	-319.29	466.32	466.32	223.21	.00
7267.74	15.00	223.21	7206.39	-358.73	-337.01	492.20	492.20	223.21	.00
7367.74	15.00	223.21	7302.98	-377.59	-354.73	518.08	518.08	223.21	.00
7428.66	15.00	223.21	7361.83	-389.08	-365.53	533.85	533.85	223.21	.00
END OF HOLD SECTION. BEGIN DROPPING ANGLE AT A RATE OF 2.5 DEG/100'									
7458.66	14.25	223.21	7390.86	-394.61	-370.72	541.43	541.43	223.21	2.50
7488.66	13.50	223.21	7419.98	-399.85	-375.64	548.62	548.62	223.21	2.50
7518.66	12.75	223.21	7449.20	-404.81	-380.31	555.43	555.43	223.21	2.50
7548.66	12.00	223.21	7478.50	-409.50	-384.71	561.86	561.86	223.21	2.50
7578.66	11.25	223.21	7507.89	-413.90	-388.85	567.91	567.91	223.21	2.50
7608.66	10.50	223.21	7537.35	-418.03	-392.72	573.57	573.57	223.21	2.50
7638.66	9.75	223.21	7566.88	-421.87	-396.33	578.84	578.84	223.21	2.50
7668.66	9.00	223.21	7596.48	-425.44	-399.68	583.73	583.73	223.21	2.50
7698.66	8.25	223.21	7626.14	-428.71	-402.76	588.23	588.23	223.21	2.50
7728.66	7.50	223.21	7655.86	-431.71	-405.58	592.34	592.34	223.21	2.50
7758.66	6.75	223.21	7685.62	-434.42	-408.12	596.06	596.06	223.21	2.50
7788.66	6.00	223.21	7715.44	-436.85	-410.40	599.39	599.39	223.21	2.50
7818.66	5.25	223.21	7745.29	-438.99	-412.42	602.33	602.33	223.21	2.50
7848.66	4.50	223.21	7775.19	-440.85	-414.16	604.88	604.88	223.21	2.50
7878.66	3.75	223.21	7805.11	-442.42	-415.64	607.04	607.04	223.21	2.50
7908.66	3.00	223.21	7835.05	-443.71	-416.85	608.80	608.80	223.21	2.50
7938.66	2.25	223.21	7865.02	-444.71	-417.79	610.18	610.18	223.21	2.50
7968.66	1.50	223.21	7895.01	-445.43	-418.46	611.16	611.16	223.21	2.50
7998.66	.75	223.21	7925.00	-445.86	-418.87	611.75	611.75	223.21	2.50
8028.66	.00	223.21	7955.00	-446.00	-419.00	611.95	611.95	223.21	2.50
Canyon Top, WELLBORE SHOULD BE RETURNED TO VERTICAL AT THIS POINT, AT A BHL OF 660' N & 1,980' E									
8028.66	.00	223.21	7955.00	-446.00	-419.00	611.95	611.95	223.21	2.76
8128.66	.00	223.21	8055.00	-446.00	-419.00	611.95	611.95	223.21	.00
8228.66	.00	223.21	8155.00	-446.00	-419.00	611.95	611.95	223.21	.00
8328.66	.00	223.21	8255.00	-446.00	-419.00	611.95	611.95	223.21	.00
8428.66	.00	223.21	8355.00	-446.00	-419.00	611.95	611.95	223.21	.00
8528.66	.00	223.21	8455.00	-446.00	-419.00	611.95	611.95	223.21	.00

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
8628.66	.00	223.21	8555.00	-446.00	-419.00	611.95	611.95	223.21	.00
8728.66	.00	223.21	8655.00	-446.00	-419.00	611.95	611.95	223.21	.00
8828.66	.00	223.21	8755.00	-446.00	-419.00	611.95	611.95	223.21	.00
8928.66	.00	223.21	8855.00	-446.00	-419.00	611.95	611.95	223.21	.00
9028.66	.00	223.21	8955.00	-446.00	-419.00	611.95	611.95	223.21	.00
9128.66	.00	223.21	9055.00	-446.00	-419.00	611.95	611.95	223.21	.00
9228.66	.00	223.21	9155.00	-446.00	-419.00	611.95	611.95	223.21	.00
9328.66	.00	223.21	9255.00	-446.00	-419.00	611.95	611.95	223.21	.00
9428.66	.00	223.21	9355.00	-446.00	-419.00	611.95	611.95	223.21	.00
9528.66	.00	223.21	9455.00	-446.00	-419.00	611.95	611.95	223.21	.00
9628.66	.00	223.21	9555.00	-446.00	-419.00	611.95	611.95	223.21	.00
9728.66	.00	223.21	9655.00	-446.00	-419.00	611.95	611.95	223.21	.00
9828.66	.00	223.21	9755.00	-446.00	-419.00	611.95	611.95	223.21	.00
9928.66	.00	223.21	9855.00	-446.00	-419.00	611.95	611.95	223.21	.00
10028.66	.00	223.21	9955.00	-446.00	-419.00	611.95	611.95	223.21	.00
10128.66	.00	223.21	10055.00	-446.00	-419.00	611.95	611.95	223.21	.00
10228.66	.00	223.21	10155.00	-446.00	-419.00	611.95	611.95	223.21	.00
10328.66	.00	223.21	10255.00	-446.00	-419.00	611.95	611.95	223.21	.00
10428.66	.00	223.21	10355.00	-446.00	-419.00	611.95	611.95	223.21	.00
10528.66	.00	223.21	10455.00	-446.00	-419.00	611.95	611.95	223.21	.00
10573.66	.00	223.21	10500.00	-446.00	-419.00	611.95	611.95	223.21	.00

TD @ 10,500' TVD, RUN CASING OR P & A.

YATES PETROLEUM CORPORATION

105 South 4th Street

Artesia, NM 88210

Walt Canyon "AMA" Federal Com. #8

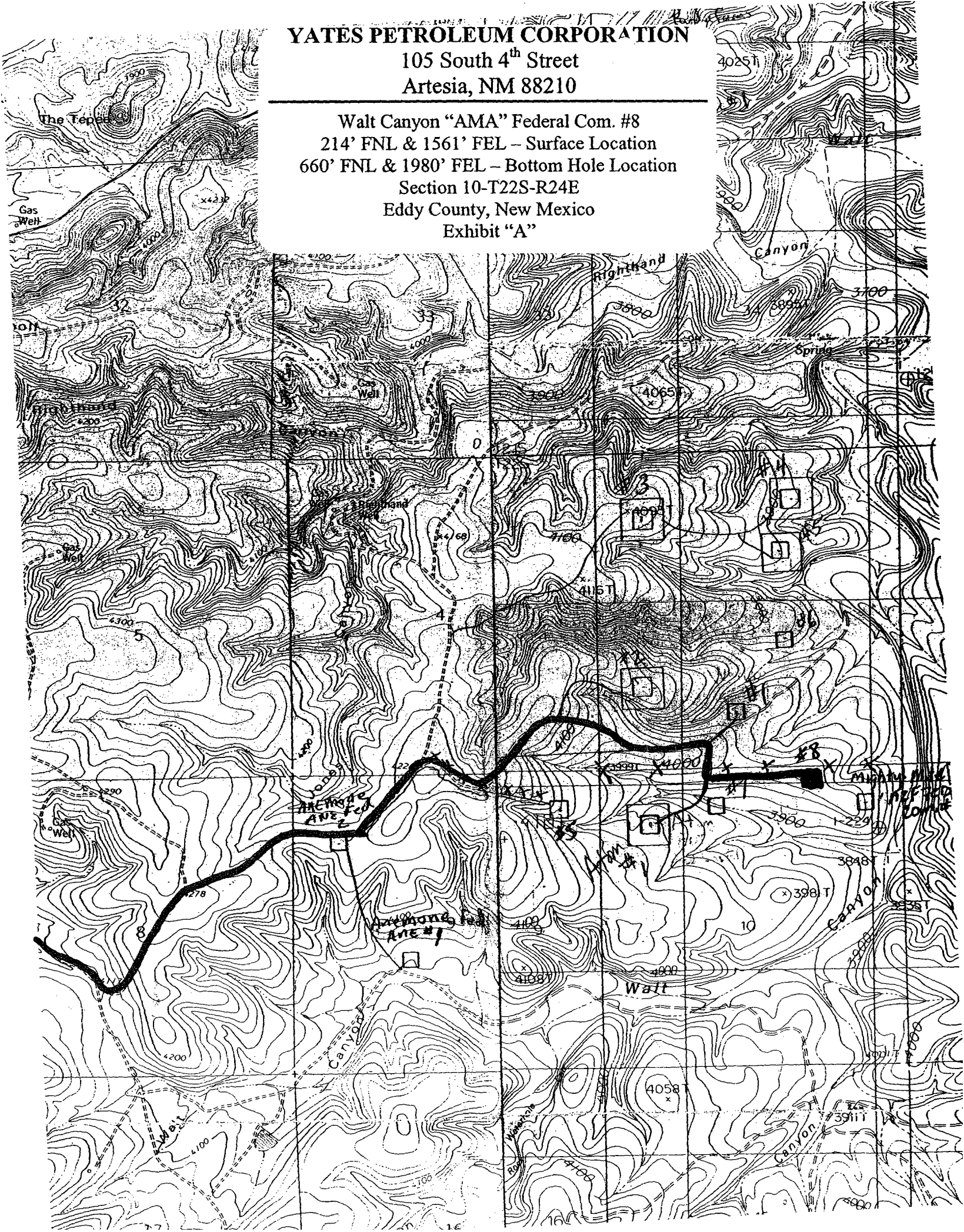
214' FNL & 1561' FEL – Surface Location

660' FNL & 1980' FEL – Bottom Hole Location

Section 10-T22S-R24E

Eddy County, New Mexico

Exhibit "A"



YATES PETROLEUM CORPORATION

105 South 4th Street
Artesia, NM 88210

Walt Canyon "AMA" Federal Com. #8

214' FNL & 1561' FEL - Surface Location

660' FNL & 1980' FEL - Bottom Hole Location

Section 10-T22S-R24E

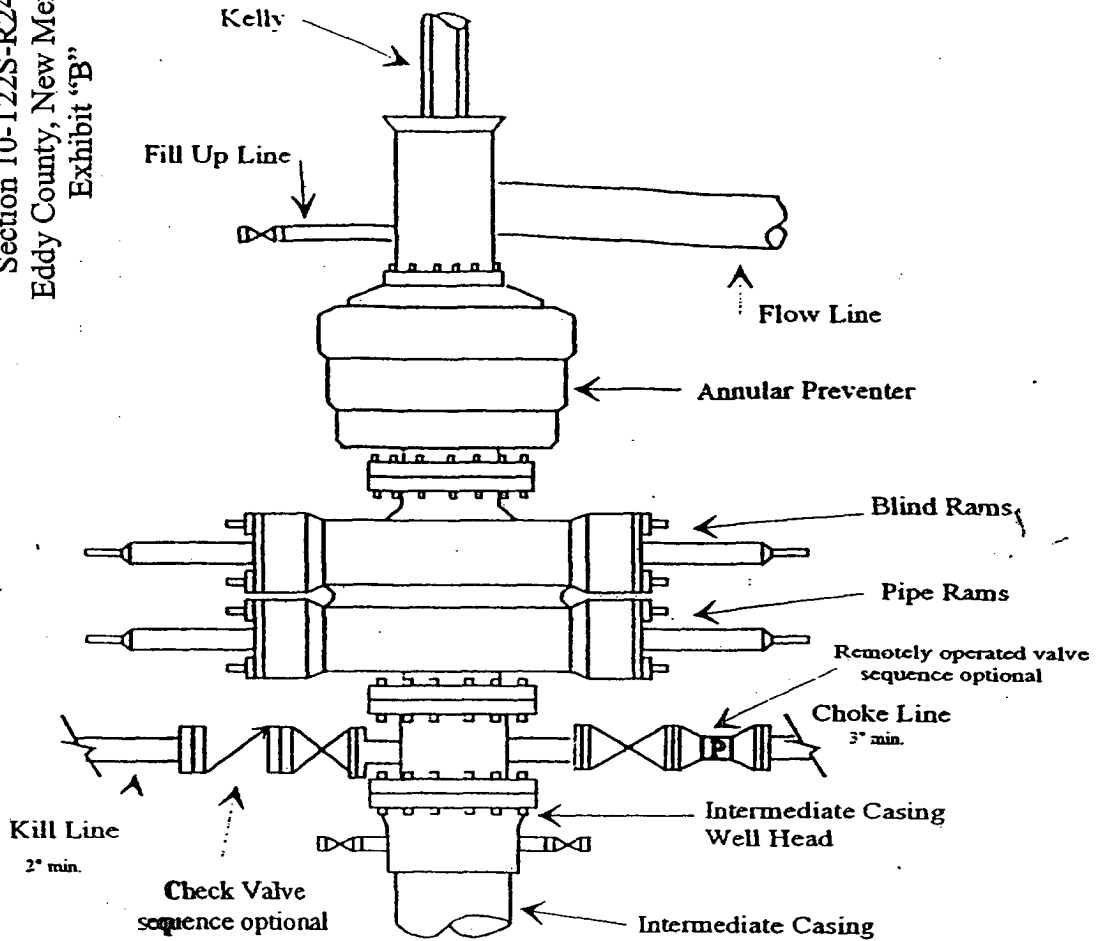
Eddy County, New Mexico

Exhibit "B"

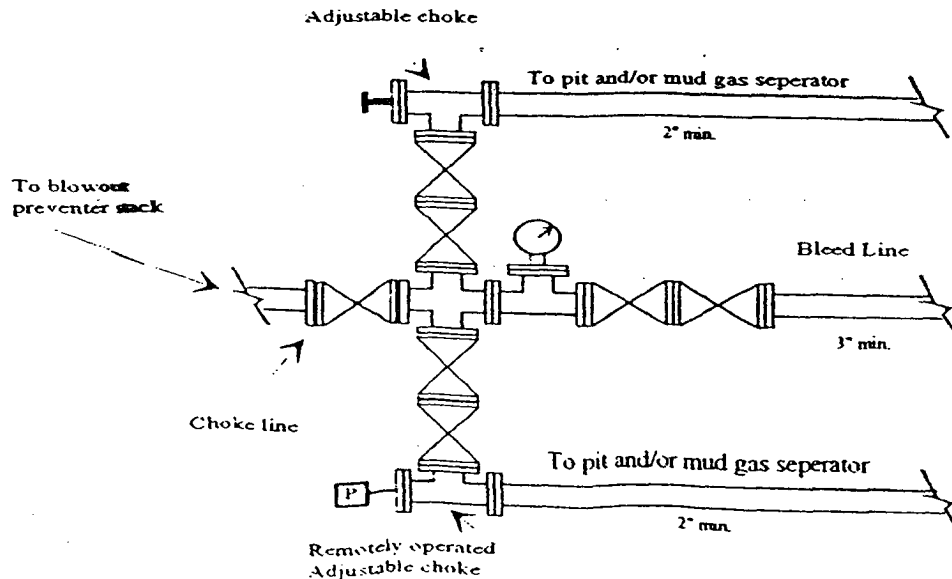
Yates Petroleum Corporation

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

BOP-4



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

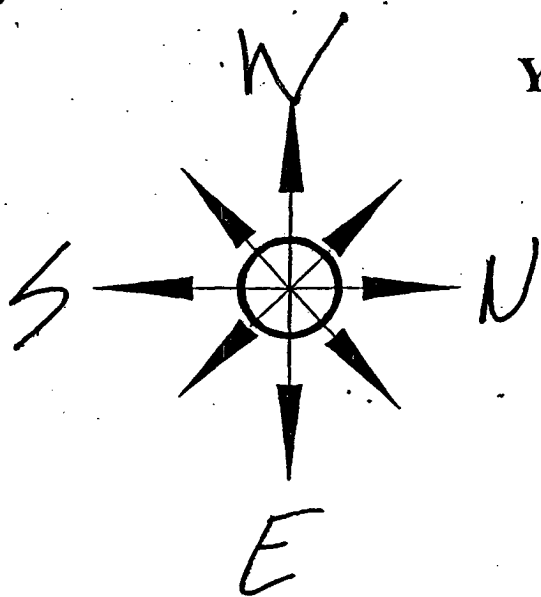


PF

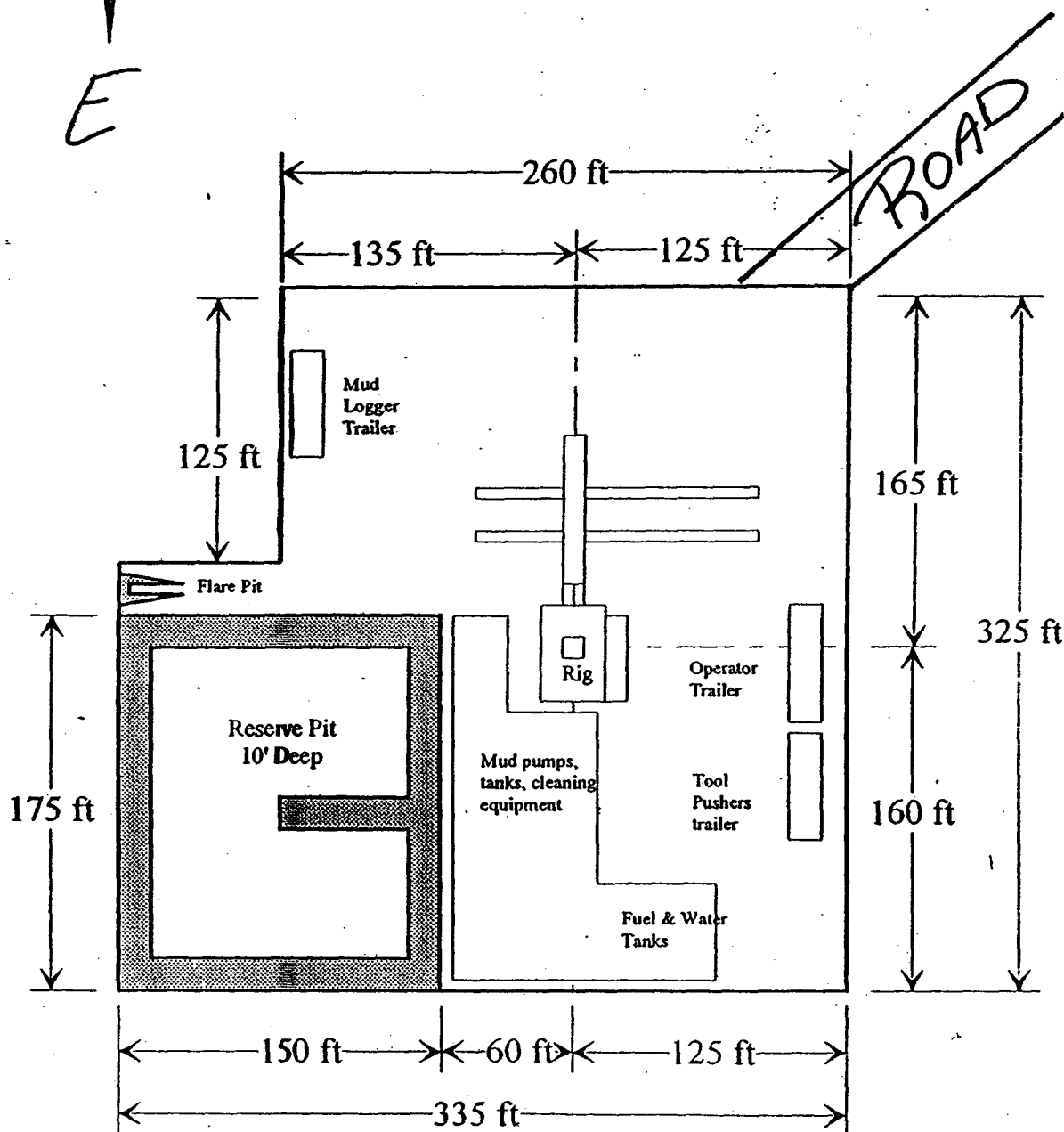
214' FNL & 1561' FEL - Surface Location
660' FNL & 1980' FEL - Bottom Hole Location
Section 10-T22S-R24E
Eddy County, New Mexico
Exhibit "C"

Yates Petroleum Corporation

Location Layout for Permian Basin
Up to 12,000'



Pits South



Distance from Well
Head to Reserve Pit
will vary between rigs

The above dimension
should be a maximum

105 South 4th Street
Artesia, NM 88210

Walt Canyon "AMA" Federal Com. #8
214' FNL & 1561' FEL - Surface Location
660' FNL & 1980' FEL - Bottom Hole Location
Section 10-T22S-R24E
Eddy County, New Mexico
Exhibit "D"

