

RESUBMITTAL

ATS-13-148

Form 3160-3  
(March 2012)

# Split Estate

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires October 31, 2014

## APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.  
NM 10260; NM-9402; B-8318; L-6781 **705**

6. If Indian, Allottee or Tribe Name  
N/A

7. If Unit or CA Agreement, Name and No.  
NM NM -123701

8. Lease Name and Well No.  
Link BKT Fed. Com #4H **<372087**

9. API Well No.  
**30-015-41104**

10. Field and Pool, or Exploratory  
Cottonwood Creek; Wolfcamp **<752607**

1a. Type of work:  DRILL  REENTER

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator YATES PETROLEUM CORPORATION **<255757**

3a. Address 105 South Fourth Street  
Artesia, NM 88210

3b. Phone No. (include area code)  
575-748-4347

11. Sec., T. R. M. or Blk. and Survey or Area  
Section 18, T16S-R25E, SHL  
Section 17, T16S-R25E, BHL

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*  
At surface 1880' FSL & 240' FEL, Section 18, T16S-R25E, Ut. Ltr. I, NENW  
At proposed prod. zone 1880' FSL & 660' FEL, Section 17, T16S-R25E, Ut. Ltr. I, NESE

**UNORTHODOX LOCATION**

14. Distance in miles and direction from nearest town or post office\*  
Approximately six (6) miles northwest of Artesia, New Mexico

12. County or Parish  
Eddy

13. State  
NM

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)  
240'

16. No. of acres in lease  
NM-9402 - 478.81; B-8318-40; NM-10260-640; L-6781-

17. Spacing Unit dedicated to this well  
S/2 320 acres in 17-16S-25E

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.  
20' Surface Location and 300' in the lateral.

19. Proposed Depth  
TVD 4950' & MD 9101'

20. BLM/BIA Bond No. on file  
NATIONWIDE BOND #NMB000434  
Individual Bond #NMB000920

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
3554' GL

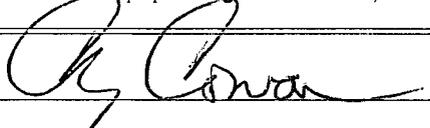
22. Approximate date work will start\*  
12/26/2012

23. Estimated duration  
60 days

### 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must 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 must 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 BLM.

25. Signature 

Name (Printed/Typed)  
Cy Cowan

Date  
**10/30/12**

Title  
Land Regulatory Agent

Approved by (Signature) **/s/ Don Peterson**

Name (Printed/Typed) **/s/ Don Peterson**

Date

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.  
Conditions of approval, if any, are attached. **APPROVAL FOR TWO YEARS**

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.

(Continued on page 2)

Roswell Controlled Water Basin \*(Instructions on page 2)

### SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements  
& Special Stipulations Attached

1825 N. French Dr., Hobbs, NM 88240  
**DISTRICT II**  
 1301 W. Grand Avenue, 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 and Natural Resources Department

Revised October 12, 2005

Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, New Mexico 87505

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|  |   |  |
|--|---|--|
| API Number<br>30-015-41104               | Pool Code<br>75260                      | Pool Name<br>Cottonwood Creek, Wolfcamp, W (GAS) |
| Property Code<br><del>025575</del> 37208 | Property Name<br>LINK "BKT" FEDERAL COM | Well Number<br>4H                                |
| OGRID No.<br>025575                      | Operator Name<br>YATES PETROLEUM CORP.  | Elevation<br>3554'                               |

**Surface Location**

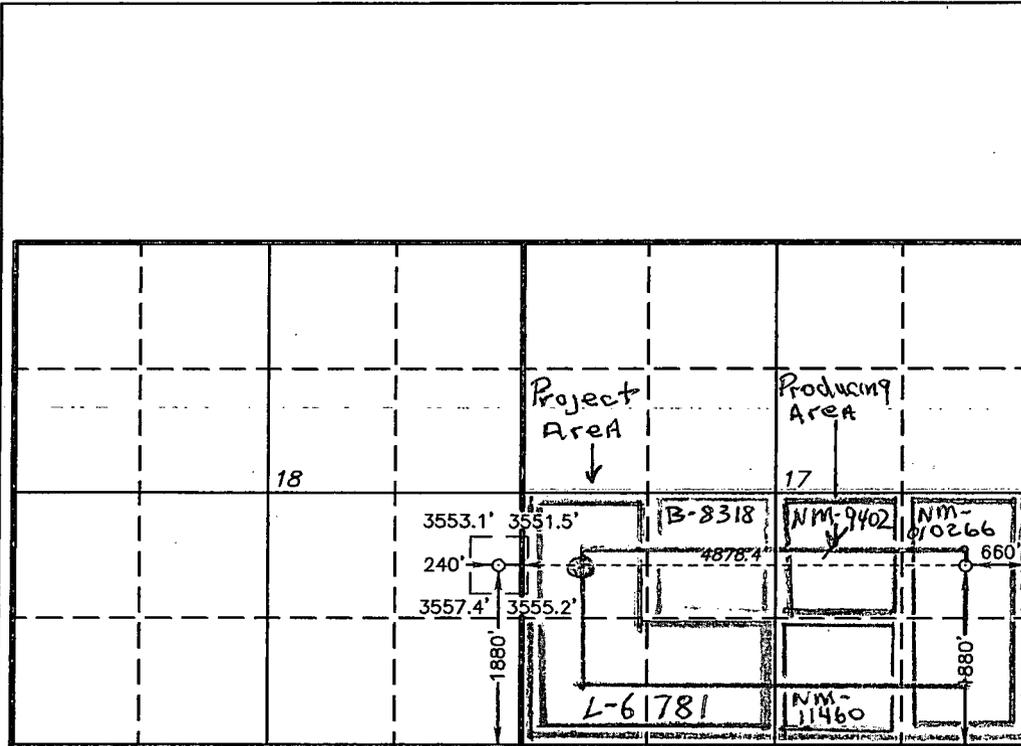
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 1             | 18      | 16 S     | 25 E  |         | 1880          | SOUTH            | 240           | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 1             | 17      | 16 S     | 25 E  |         | 1880          | SOUTH            | 660           | EAST           | EDDY   |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 320             |                 |                    |           |

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



Penetration Point  
 1880' FSL + 660' FWL

**SURFACE LOCATION**  
 Lat - N32°55'15.47"  
 Long - W104°31'01.13"  
 SPC- N.: 698829.985  
 E.: 484985.649  
 (NAD-83)

**BOTTOM HOLE LOCATION**  
 Lat - N32°55'15.36"  
 Long - W104°30'03.89"  
 SPC- N.: 698810.737  
 E.: 489863.961  
 (NAD-83)

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cy Cowan* 10/29/12  
 Signature Date

Cy Cowan  
 Printed Name

**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.

MAY 8, 2008

Date Surveyed  
 Signature  
 Professional Seal

*Gary L. Jones*  
 Signature  
 No. 9243

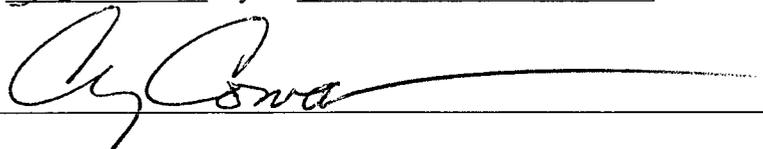
Certificate No. Gary L. Jones 7977

BASIN SURVEYS

CERTIFICATION  
YATES PETROLEUM CORPORATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; and an someone under employment of Yates Petroleum Corporation has full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 30<sup>th</sup> day of October 2012

Signature 

Name Cy Cowan

Position Title Regulatory Agent

Address 105 South Fourth Street, Artesia, New Mexico 88210

Telephone (505) 748-4372

Field Representative (if not above signatory) Tim Bussell, Drilling Supervisor

Address (if different from above) Same as above.

Telephone (if different from above) (505) 748-4221

E-mail (optional) \_\_\_\_\_

**YATES PETROLEUM CORPORATION**  
**Link BKT Federal Com. #4H**  
 1880' FSL and 240' FEL (Surface Hole Location)  
 Section 18, T16S-R25E Unit I  
 1880' FSL and 660' FEL (Bottom Hole Location)  
 Section 17, T16S-R25E Unit I  
 Eddy County, New Mexico

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

| Formation  | TVD       | Formation    | TVD       | MD        |
|------------|-----------|--------------|-----------|-----------|
| Penrose    | 210'      | Tubb         | 3135' Oil |           |
| Grayburg   | 450'      | Abo          | 3844' Oil |           |
| San Andres | 566' Oil  | TVD Kick-Off | 4400'     |           |
| Glorietta  | 1820' Oil | Wolfcamp     | 5218' Gas |           |
| Yeso       | 1985' Oil | Lateral Hole | 4878' Gas | 9552' Gas |

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

Water: 41'  
 Oil or Gas: Wolfcamp

3. **Pressure Control Equipment:** A 13 5/8" BOP will be installed and tested on the 13 3/8" casing and rated for 3000 psi system and will be consistent with API RP 53. A 11" Bop will be installed and tested on the 9 5/8" casing and rated for 5000 psi system and 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 Preventer controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventers 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)

| Hole Size | Casing Size | Wt./Ft | Grade        | Thread   | Interval    | Length |
|-----------|-------------|--------|--------------|----------|-------------|--------|
| 26"       | 20"         | 94#    | H-40         | ST&C     | 0-40'       | 40'    |
| 17 1/2"   | 13 3/8"     | 48#    | J-55 Hybrid  | ST&C     | 0-400'      | 400'   |
| 12 1/4"   | 9 5/8"      | 36#    | J-55 or K-55 | LT&C     | 0-1000'     | 1000'  |
| 8 3/4"    | 5 1/2"      | 17#    | L-80         | LT&C     | 0-4500'     | 4500'  |
| 8 1/2"    | 5 1/2"      | 17#    | L-80         | Buttress | 4500'-9101' | 4601'  |

The vertical portion of this well will be drilled to 4581'. At 4581' the well will be directionally drilled at 12 degrees per 100' with a 8 3/4" hole until 5218' MD (4894' TVD). The hole size will be reduced to 8 1/2" and drilled to 9101' MD (4950' TVD) where 5 1/2" casing will be set and cemented 500' into the intermediate casing. The penetration point for the Wolfcamp formation will be 755' FWL & 1980' FSL of Section 17-T16S-R25E. The deepest TVD reached in this well will be 4950'

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

B. CEMENTING PROGRAM:

Conductor Casing: Cemented with Ready Mix to surface.

13 3/8 Surface Casing: TOC Surface, 415 sacks of Class "C" + 2% CaCl2 (WT 14.80 YLD 1.34). Cement designed with 100% excess.

9 5/8 Intermediate Casing: TOC Surface. Lead with 175 sacks 35:65:6PzC (WT 12.50 YLD 2.00) Tail in with 200 sacks Class C + 2%CaCl2 (WT 14.80 YLD 1.34). Cement designed with 100% excess.

5 1/2 Production Casing: TOC 500'. Lead w/ 784 sacks 35:65:6PzC (WT 12.50 YLD 2.00). Tail in w/ 970 sacks PecosVILt with D112 Fluid Loss 0.4%; D151 Calcium Carbonate 22.5 lb/sack; D174 Extender 1.5 lb/sack; D177 Retarder 0.01 lb/sack; D800 Retarder 0.6 lb/sack; D46 Retarder Antifoam Agent 0.15 lb/sack. (WT 13.00 YLD 1.41). Cement designed with 35% excess.

5. Mud Program and Auxiliary Equipment:

| Interval    | Type                              | Weight  | Viscosity | Fluid Loss |
|-------------|-----------------------------------|---------|-----------|------------|
| 0 to 400'   | Fresh Water                       | 8.6-9.2 | 28-32     | N/C        |
| 400'-1000'  | Fresh Water                       | 8.6-9.2 | 28-29     | N/C        |
| 1000'-9101' | Cut Brine<br>(Horizontal Section) | 8.8-9.2 | 28-34     | <10-15cc   |

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 *see CoA*

Samples: 10' out from under surface casing to TD.

Logging: Horizontal MWD/GR-surface to TD

Coring: None anticipated.

DST's: None anticipated.

Mudlogging: Yes, Bottom of surface casing (approx. 400') to TD

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

Anticipated BHP:

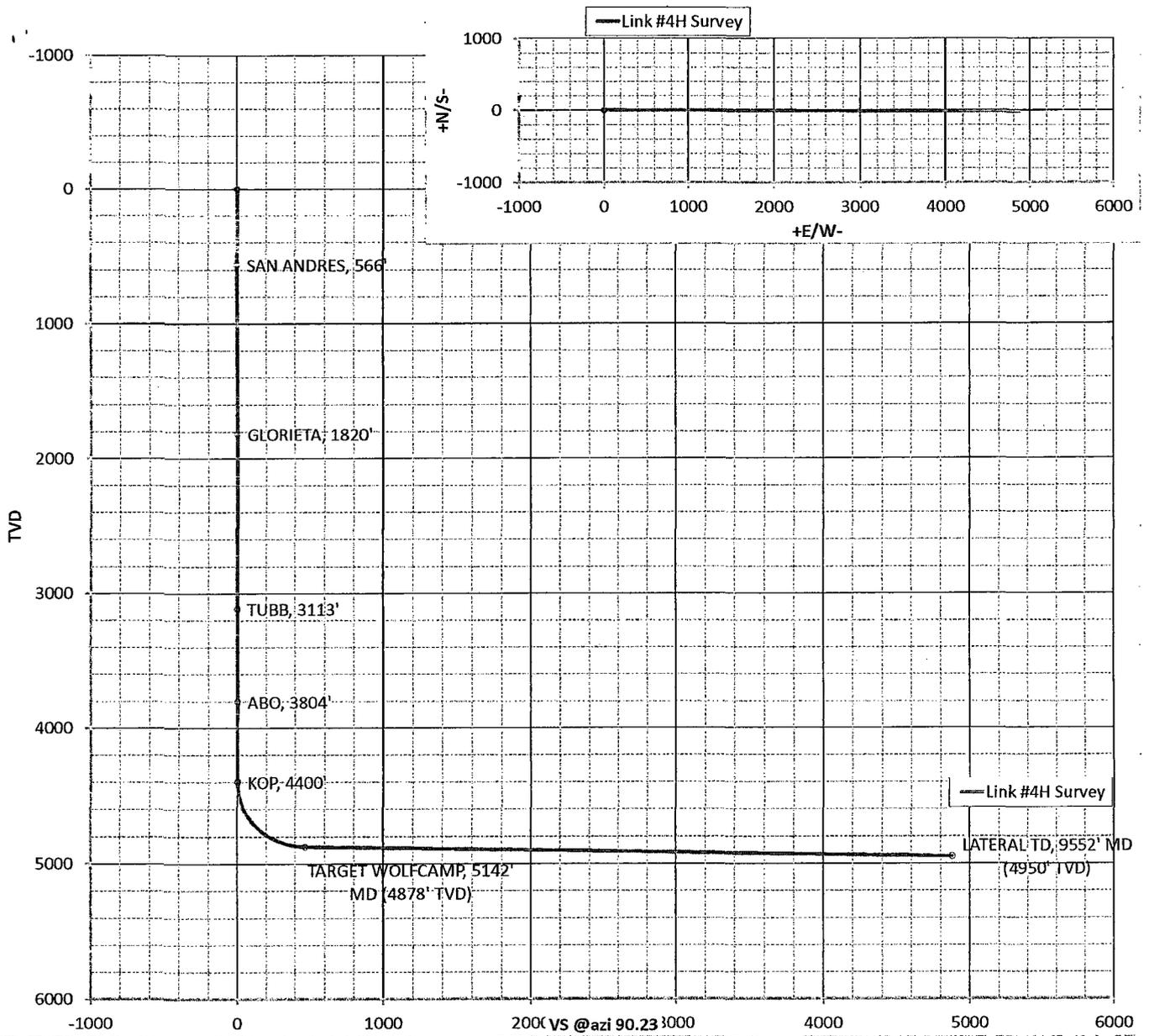
|                          |                            |     |
|--------------------------|----------------------------|-----|
| From: 0 TO 400' TVD      | Anticipated Max. BHP: 191  | PSI |
| From: 400' TO 1000' TVD  | Anticipated Max. BHP: 530  | PSI |
| From: 1000' TO 4950' TVD | Anticipated Max. BHP: 2368 | PSI |

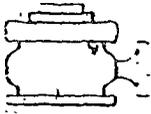
Lost Circulation Zones Anticipated: None  
H2S Zones Anticipated: None  
Maximum Bottom Hole Temperature: 168° F

**8. ANTICIPATED STARTING DATE:**

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 60 days to drill the well with completion taking another 25 days.

| Survey/Planning Report                         |                       |       |         |           |         |            |                     |      |       |
|--|-----------------------|-------|---------|-----------|---------|------------|---------------------|------|-------|
| Operator                                       | Yates Petroleum Corp. |       |         | Northing  |         | Date       | 21-Sep-12           |      |       |
| Dir. Co.                                       | Yates Petroleum Corp. |       |         | Easting   |         | System     | 2 - St. Plane       |      |       |
| Well Name                                      | Link #4H Survey       |       |         | Elevation |         | Datum      | 1983 - NAD83        |      |       |
| Location                                       | Sec. 18, 16S-25E      |       |         | Latitude  |         | Zone       | 4302 - Utah Central |      |       |
| Rig  |                       |       |         | Longitude |         | Scale Fac. |                     |      |       |
| Job  |                       |       |         | Units     | Feet    | Converg.   |                     |      |       |
| MD   | INC                   | AZI   | TVD     | +NS-      | +EW-    | VS@90.23°  | BR                  | TR   | DLS   |
| 0.00   | 0.00                  | 0.00  | 0.00    | 0.00      | 0.00    | 0.00       | 0.00                | 0.00 | 0.00  |
| 566.00   | 0.00                  | 0.00  | 566.00  | 0.00      | 0.00    | 0.00       | 0.00                | 0.00 | 0.00  |
| 566: SAN ANDRES, 566'                          |                       |       |         |           |         |            |                     |      |       |
| 1820.00  | 0.00                  | 0.00  | 1820.00 | 0.00      | 0.00    | 0.00       | 0.00                | 0.00 | 0.00  |
| 1820: GLORIETA, 1820'                          |                       |       |         |           |         |            |                     |      |       |
| 3113.00  | 0.00                  | 0.00  | 3113.00 | 0.00      | 0.00    | 0.00       | 0.00                | 0.00 | 0.00  |
| 3113: TUBB, 3113'                              |                       |       |         |           |         |            |                     |      |       |
| 3804.00  | 0.00                  | 0.00  | 3804.00 | 0.00      | 0.00    | 0.00       | 0.00                | 0.00 | 0.00  |
| 3804: ABO, 3804'                               |                       |       |         |           |         |            |                     |      |       |
| 4400.26  | 0.00                  | 90.23 | 4400.26 | 0.00      | 0.00    | 0.00       | 0.00                | 2.05 | 0.00  |
| 4400.26: KOP, 4400'                            |                       |       |         |           |         |            |                     |      |       |
| 4500.00  | 11.97                 | 90.23 | 4499.28 | -0.04     | 10.38   | 10.38      | 12.00               | 0.00 | 12.00 |
| 4600.00  | 23.97                 | 90.23 | 4594.23 | -0.16     | 41.17   | 41.17      | 12.00               | 0.00 | 12.00 |
| 4700.00  | 35.97                 | 90.23 | 4680.70 | -0.36     | 91.03   | 91.03      | 12.00               | 0.00 | 12.00 |
| 4800.00  | 47.97                 | 90.23 | 4754.91 | -0.62     | 157.78  | 157.78     | 12.00               | 0.00 | 12.00 |
| 4900.00  | 59.97                 | 90.23 | 4813.63 | -0.94     | 238.50  | 238.50     | 12.00               | 0.00 | 12.00 |
| 5000.00  | 71.97                 | 90.23 | 4854.28 | -1.30     | 329.67  | 329.67     | 12.00               | 0.00 | 12.00 |
| 5100.00  | 83.97                 | 90.23 | 4875.09 | -1.68     | 427.29  | 427.29     | 12.00               | 0.00 | 12.00 |
| 5142.43  | 89.06                 | 90.23 | 4877.66 | -1.85     | 469.63  | 469.63     | 12.00               | 0.00 | 12.00 |
| 5142.43: TARGET WOLFCAMP, 5142' MD (4878' TVD) |                       |       |         |           |         |            |                     |      |       |
| 9551.74  | 89.06                 | 90.23 | 4950.01 | -19.25    | 4878.31 | 4878.35    | 0.00                | 0.00 | 0.00  |
| 9551.74: LATERAL TD, 9552' MD (4950' TVD)      |                       |       |         |           |         |            |                     |      |       |

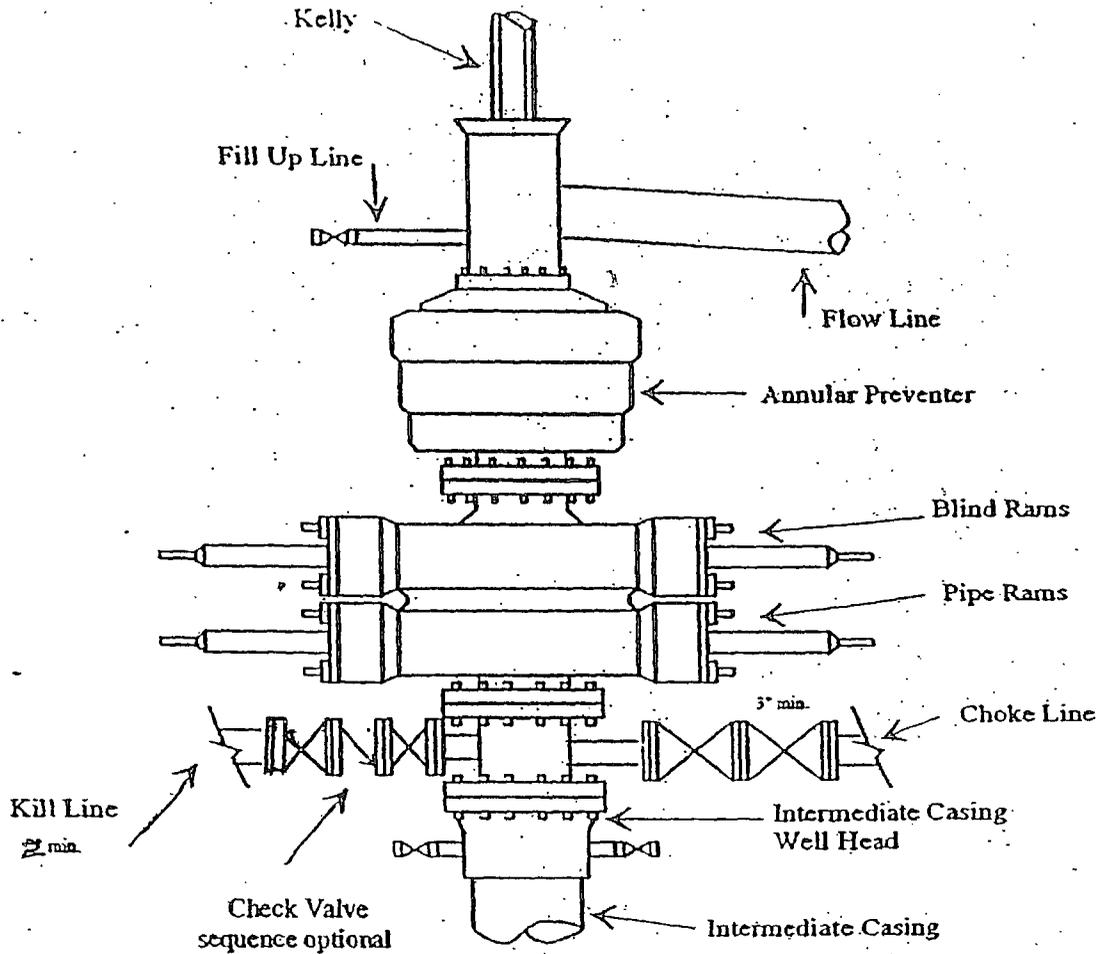




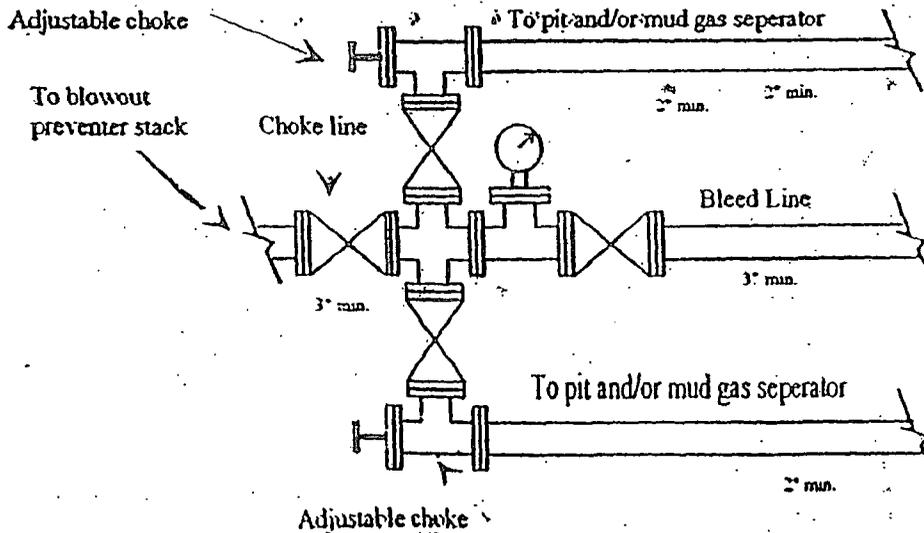
Yates Petroleum Corporation  
 Typical 3,000 psi Pressure System  
 Schematic  
 Annular with Double Ram Preventer Stack

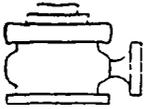
BOP-3

*Exhibit*



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



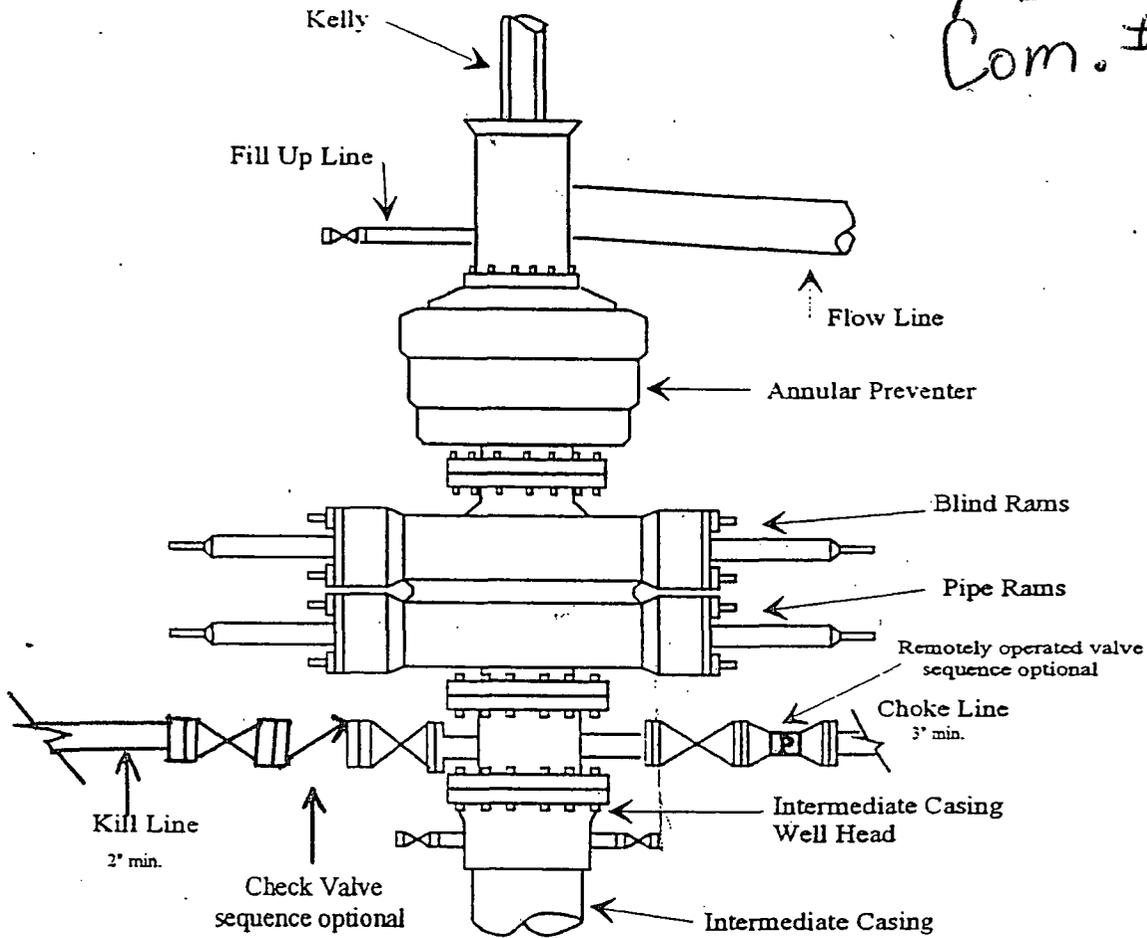


# Yates Petroleum Corporation

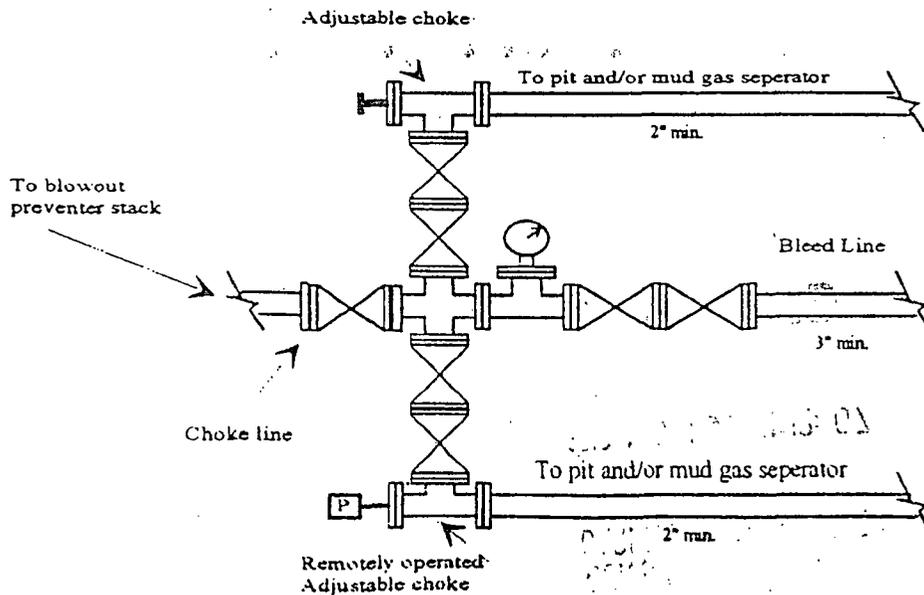
BOP-4

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

LINK BKT  
FEDERAL  
Com. #4H

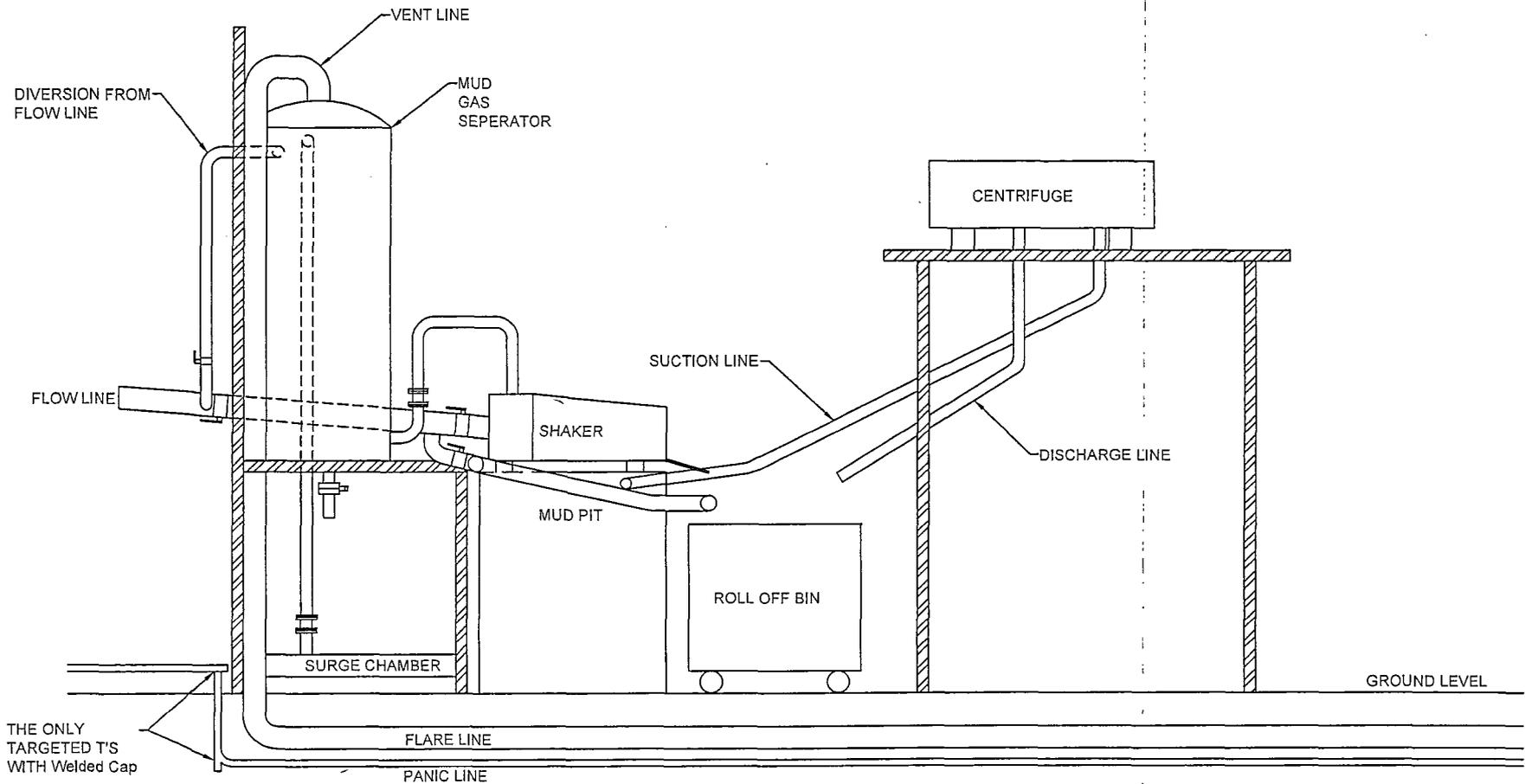


Typical 5,000 psi choke manifold assembly with at least these minimum features



# YATES PETROLEUM CORPORATION

## Piping from Choke Manifold to the Closed Loop Drilling Mud System



The flare discharge must be 100' from wellhead for non H2S wells and 150' from wellhead for wells expected to encounter H2S.

# Yates Petroleum Corporation

105 S. Fourth Street  
Artesia, NM 88210

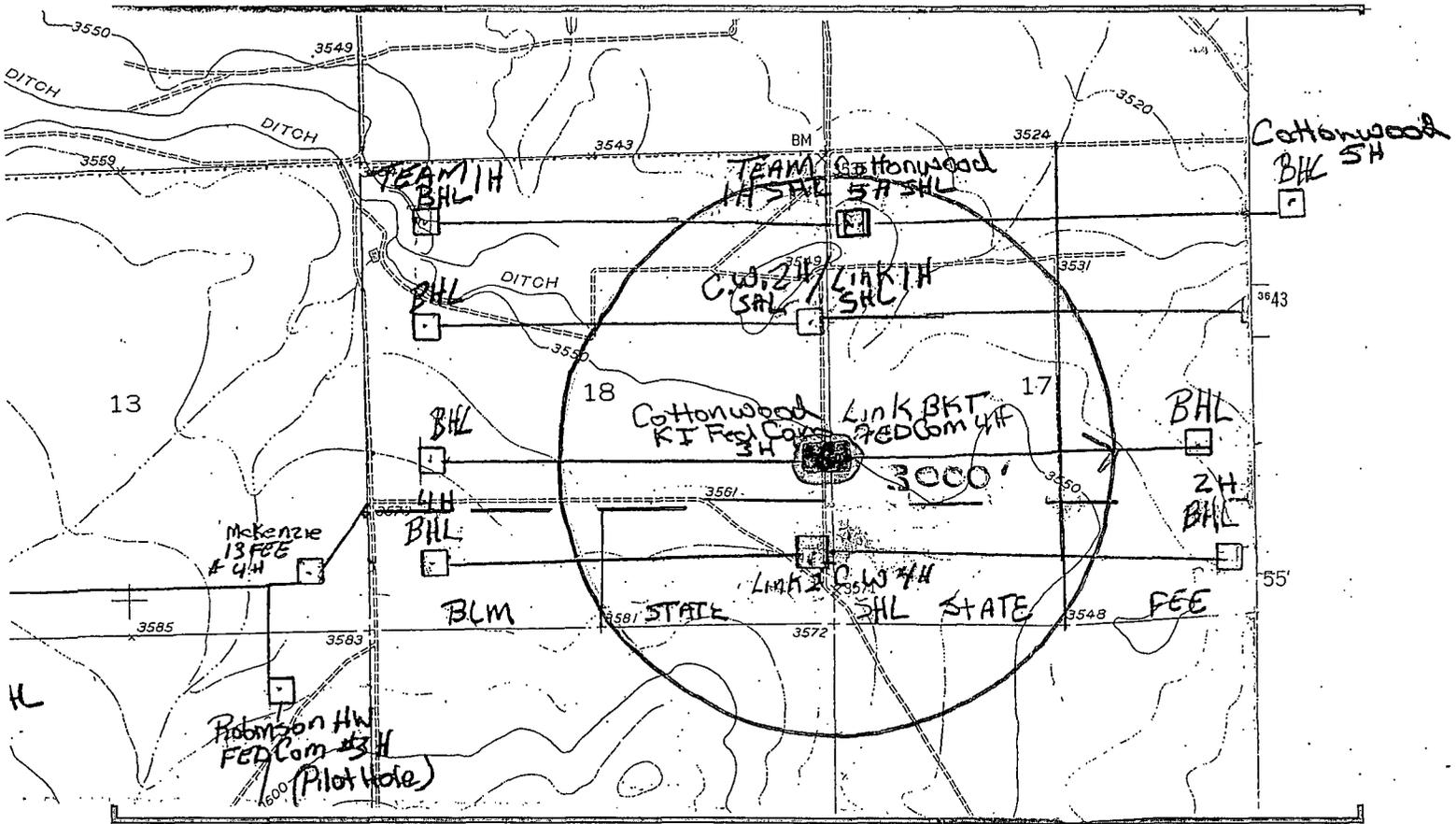
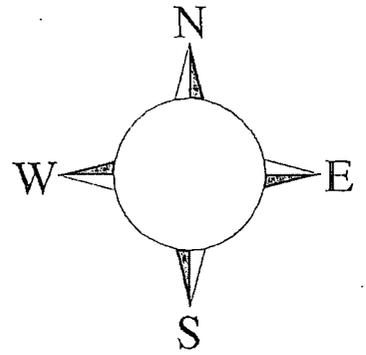
## Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan

For

Link BKT Federal Com. #4H  
1880' FSL and 240' FEL Surface Hole Location  
Section 18, T-16S, R-25E  
Eddy County NM

# Link BKT Federal Com. #4H

This is an open drilling site. H<sub>2</sub>S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H<sub>2</sub>S, including warning signs, wind indicators and H<sub>2</sub>S monitor.



Assumed 100 ppm ROE = 3000'  
100 ppm H<sub>2</sub>S concentration shall trigger activation of this plan.

## Emergency Procedures

In the case of a release of gas containing H<sub>2</sub>S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H<sub>2</sub>S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H<sub>2</sub>S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

## Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

## Characteristics of H<sub>2</sub>S and SO<sub>2</sub>

| Common Name      | Chemical Formula | Specific Gravity | Threshold Limit | Hazardous Limit | Lethal Concentration |
|------------------|------------------|------------------|-----------------|-----------------|----------------------|
| Hydrogen Sulfide | H <sub>2</sub> S | 1.189<br>Air = 1 | 10 ppm          | 100 ppm/hr      | 600 ppm              |
| Sulfur Dioxide   | SO <sub>2</sub>  | 2.21<br>Air = 1  | 2 ppm           | N/A             | 1000 ppm             |

## Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

## ***Yates Petroleum Corporation Phone Numbers***

---

|  |                |
|--|----------------|
| YPC Office .....                         | (505) 748-1471 |
| Paul Ragsdale/Operations Manager.....    | (505) 748-4520 |
| Ron Beasley/Production Manager .....     | (505) 748-4210 |
| Wade Bennett/Prod Superintendent .....   | (505) 748-4236 |
| Mike Lankin/Drilling .....               | (505) 748-4222 |
| Paul Hanes/Prod. Foreman/Roswell .....   | (505) 624-2805 |
| Tim Bussell/Drilling Superintendent..... | (505) 748-4221 |
| 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 |

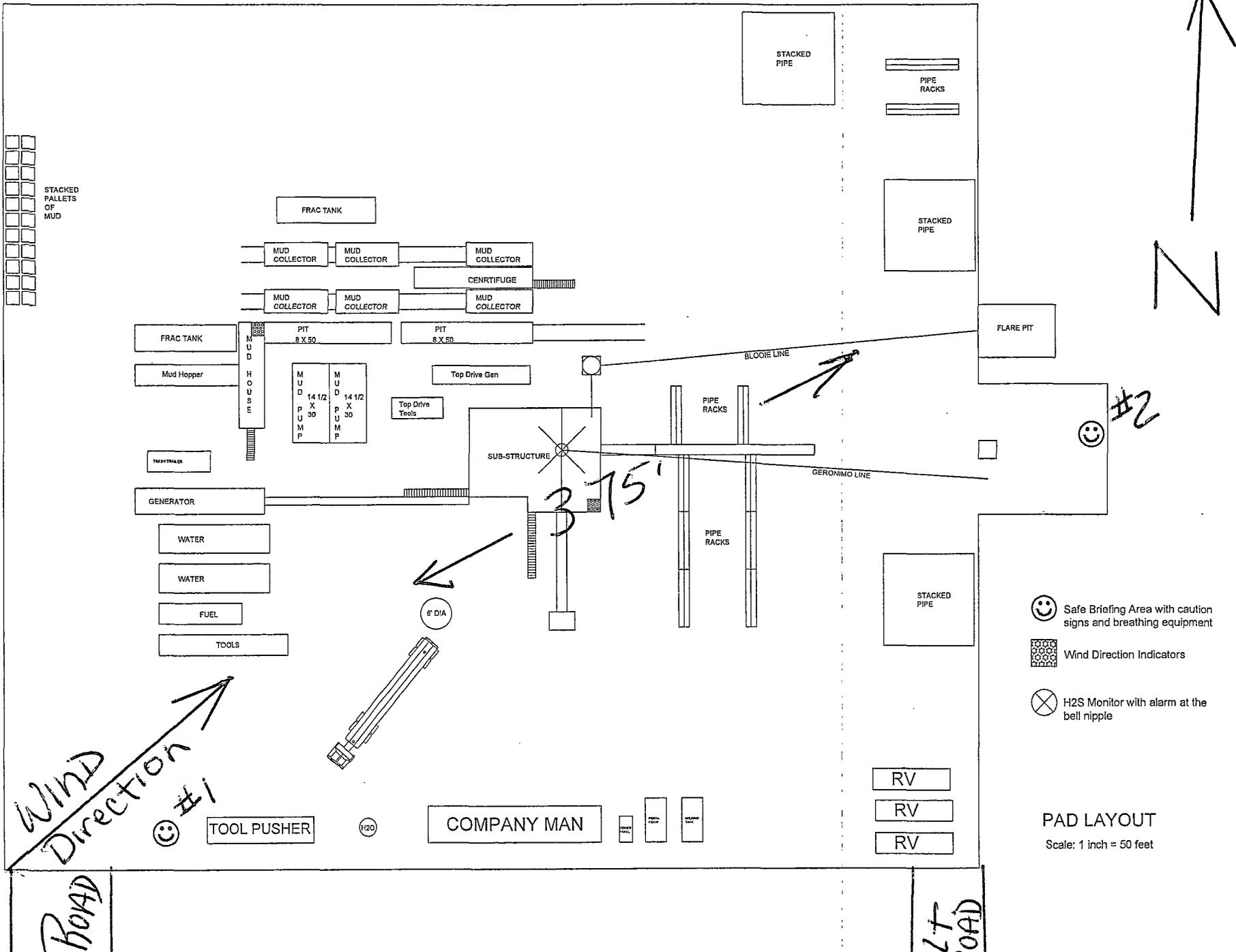
|   |                   |
|---|-------------------|
| New Mexico Emergency Response Commission (Santa Fe) | (505)476-9600     |
| 24 HR .....   | (505) 827-9126    |
| New Mexico State Emergency Operations Center.....   | (505) 476-9635    |
| National Emergency Response Center (Washington, DC) | ...(800) 424-8802 |

##### **Other**

|                            |                                  |
|----------------------------|----------------------------------|
| Boots & Coots IWC .....    | 1-800-256-9688 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 |

# YATES PETROLEUM CORPORATION



# Yates Petroleum Corporation

## Hydrogen Sulfide Drilling Operation Plan

### I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H<sub>2</sub>S on metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan and H<sub>2</sub>S Contingency Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operation Plan and the H<sub>2</sub>S Contingency Plan. **The location of this well does not require a Public Protection Plan.**

## II. H2S SAFETY EQUIPMENT AND SYSTEMS

NOTE: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S.

### 1. Well Control Equipment:

- A. Flare line
- B. Choke manifold
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer & rotating head.

### 2. Protective equipment for essential personnel:

- A. Mark II Survive Air (or equivalent) 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

### 3. H2S detection and monitoring equipment:

- A. 3 portable H2S monitors positioned at: Shale Shaker, Bell Nipple, and Rig Floor. These units have warning lights and audible sirens when H2S levels of 10 PPM are reached.

### 4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram (attached).
- B. Caution/Danger signs (attached) shall be posted on roads providing direct access to location. Signs will be painted with high visibility yellow with black lettering of a sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

### 5. Mud program:

- A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

### 6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trim.

**7. Communication:**

- A. Cellular communications in company vehicles.
- B. Land line (telephone) communication at the Office.

**8. Well testing:**

- A. There will be no drill stem testing.

**EXHIBIT**

**DANGER**  
**POISONS GAS**  
**HYDROGEN SULFIDE**  
**NORMAL OPERATIONS**  
(GREEN)  
 **CAUTION POTENTIAL DANGER**  
(YELLOW)  
**DANGER POISONS GAS ENCOUNTERED**  
(RED) **AUTHORIZED PERSONAL ONLY.**  
 **LOCATION SECURED.**  
**1-575-746-1096**  
**1-877-879-8899**

EDDY COUNTY EMERGENCY NUMBERS  
NUMBERS

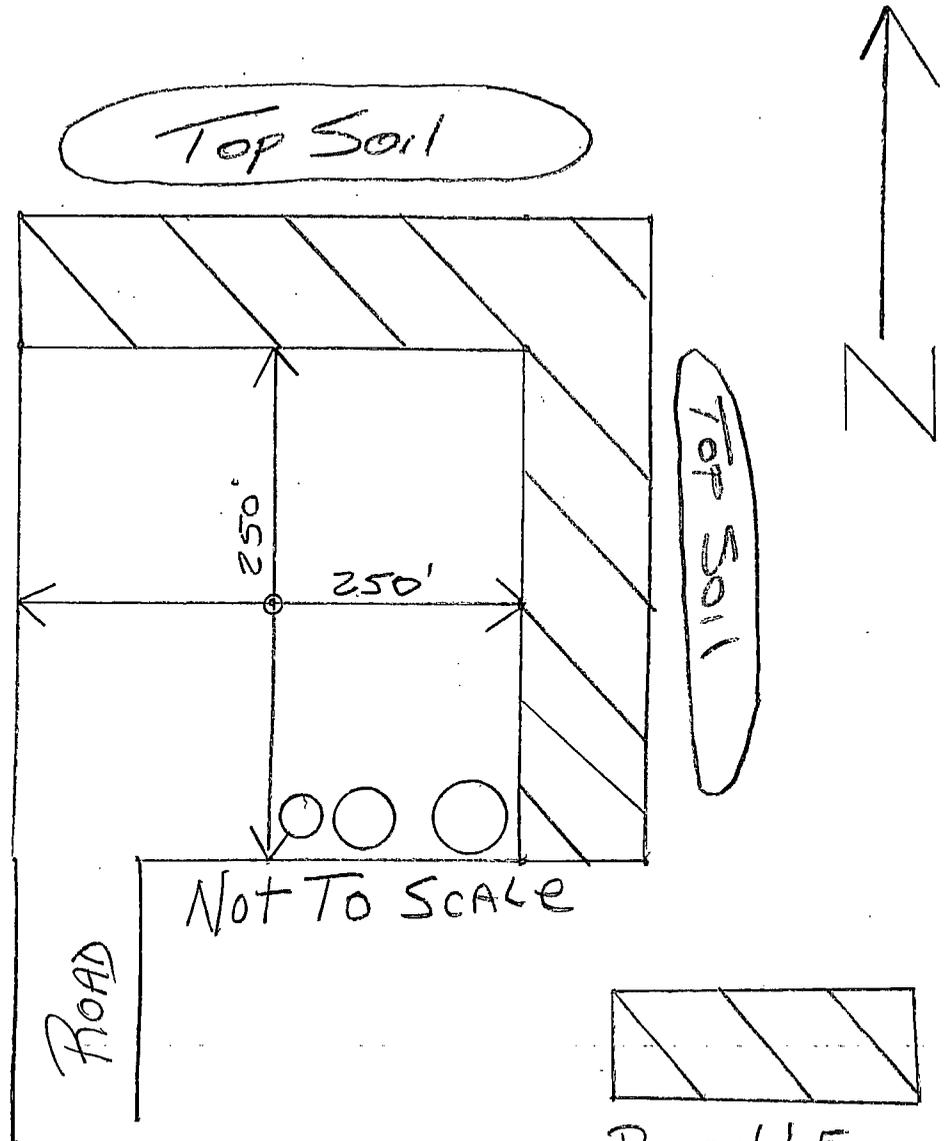
ARTESIA FIRE DEPT. 575-746-5050  
9308  
ARTESIA POLICE DEPT. 575-746-5000  
9285  
EDDY CO. SHERIFF DEPT. 575-746-9888  
396-1196

LEA COUNTY EMERGENCY

HOBBS FIRE DEPT. 575-397-  
HOBBS POLICE DEPT. 575-397-  
LEA CO. SHERIFF DEPT. 575-

# RECLAMATION PLAT

LINKBKT  
7ED Com 4H



FINAL Reclamation  
MAY LOOK DIFFERENT  
THAN THIS PLAT.

POSSIBLE  
RECLAIMED AREA

## PECOS DISTRICT CONDITIONS OF APPROVAL

|                       |                                    |
|-----------------------|------------------------------------|
| OPERATOR'S NAME:      | Yates Petroleum Corp               |
| LEASE NO.:            | NM010266                           |
| WELL NAME & NO.:      | 4H Link BKT Fed Com                |
| SURFACE HOLE FOOTAGE: | 1880' / FSL & 240' / FEL           |
| BOTTOM HOLE FOOTAGE:  | 1880' / FSL & 660' / FEL, Sec. 17  |
| LOCATION:             | Section 18, T.16 S., R.25 E., NMPM |
| COUNTY:               | Eddy County, New Mexico            |

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- General Provisions**
- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
  - Aplomado Falcon
  - Communitization Agreement
- Construction**
  - Notification
  - Topsoil
  - Closed Loop System
  - Federal Mineral Material Pits
  - Well Pads
  - Roads
- Road Section Diagram**
- Drilling**
  - Logging Requirements
  - Waste Material and Fluids
- Production (Post Drilling)**
  - Well Structures & Facilities
  - Pipelines
  - Electric Lines
- Interim Reclamation**
- Final Abandonment & Reclamation**