

N.M. Oil Cons. D  
1301 W. Grand  
Artesia, NM

CEMENT TO COVER ALL  
OIL, GAS AND WATER  
BEARING ZONES, EXAMPLE:  
GLORIETA FORMATION

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FEB 27 2006

APPLICATION FOR PERMIT TO DRILL OR REENTER

Expires November 30, 2000

5. Lease Serial No.

NM-96205

6. If Indian, Allottee or Tribe Name

Not Applicable

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

Not Applicable

8. Lease Name and Well No.

Frisbee BIF Federal Com. #1

9. API Well No.

30-005 63810

10. Field and Pool, or Exploratory

Wildcat Mississippian

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

Section 33, T13S-R27E

12. County or Parish

Chaves County

13. State

NM

1a. Type of Work: ☒ DRILL ☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone 35470

2. Name of Operator

Yates Petroleum Corporation 25575

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

660' SL and 660' FEL, Unit P

At proposed prod. Zone

same as above

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

Approximately 6 miles East of Roswell, New Mexico

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

640

17. Spacing Unit dedicated to this well

E/2

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

19. Proposed Depth

7,620

20. BLM/BIA Bond No. on file

NM-2811

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

3475 GL

22. Approximate date work will start\*

ASAP

23. Estimated duration

30 Days

24. Attachments: ~~DECLARED WATER BASIN~~

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized office.

25. Signature

Debbie L. Caffall

Name (Printed/Typed)

Debbie L. Caffall

Date

2/1/2006

Title:

Regulatory Agent

Approved by (Signature)

/S/LARRY D. BRAY

Name (Printed/Typed)

LARRY D. BRAY

Date

FEB 22 2006

Title

Assistant Field Manager,  
Lands And Minerals

Office

ROSWELL 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.

APPROVED 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 of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

C-144 Attached

DECLARED WATER BASIN

CEMENT BEHIND THE 13 3/4"  
CASING MUST BE CIRCULATED  
WITNESS

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS ATTACHED

29.5

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

105 South Fourth Street, Artesia, NM 88210

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ CheckBox1

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: 505-748-4376 e-mail address: debbiec@ypcnm.com

Address: 104 South 4<sup>th</sup> Street, Artesia, New Mexico 88210

Facility or well name: Frisbee BIF Federal Com. #1 API #: \_\_\_\_\_ U/L or Qtr/Qtr\_P, SESE\_Sec 33 T13S R27E

County: Chaves Latitude: \_\_\_\_\_ Longitude: \_\_\_\_\_ NAD: 1927 ☒ 1983 ☐ Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume

24,000 bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not.

RECEIVED  
FEB 27 2006  
OCU-ARTESIA

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

( 0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

( 0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

( 0 points)

**Ranking Score (Total Points)**

**10 points**

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: 01/23/2006

Printed Name/Title Debbie L. Caffall/Regulatory Agent

Signature Debbie L. Caffall

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved: **FEB 28 2006**

Date: \_\_\_\_\_

Printed Name/Title \_\_\_\_\_

Signature [Signature]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

**Yates Petroleum Corporation**

3a. Address

**105 South Fourth Street, Artesia, NM 88210**

3b. Phone No. (include area code)

**(505) 748-1471**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL and 660' FEL, Unit P  
Section 33, T13S-R27E

RECEIVED

FEB 23 2006

OCU-ARTESIA

NM-96205

If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/o

N/A

8. Well Name and No.

Frisbee BIF Federal Com. #1

9. API Well No.

10. Field and Pool, or Exploratory Area

Wildcat Mississippia

11. County or Parish, State

Chaves County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

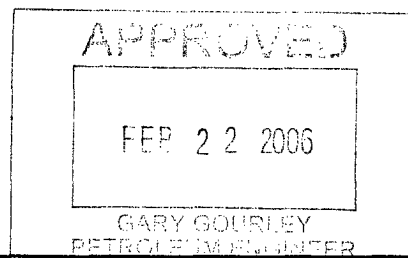
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yates Petroleum Corporation requests permission to spud this well and set conductor pipe. We request that a 30-day extension be granted due to rig unavailability and timely construction of the road and location.

Thank you.

APPROVED FOR 1 (40 days) MONTH PERIOD  
ENDING 4-1-06



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Debbie L. Caffall

Title

Regulatory Technician

Signature

Date

February 22, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001, 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)

**YATES PETROLEUM CORPORATION**  
**Frisbee BIF Federal Com. #1**  
 660' FSL and 660' FEL, Unit P  
 Section 33, T13S-R27E  
 Chaves County, New Mexico

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

Queen	430'	WC B Zone	5730'
Penrose	525'	Spear Zone	6035'
Grayburg	760'	Cisco	6315'
San Andres	1265'	Lower Canyon	6760'
Glorieta	2260'	Strawn	6930'
Yeso	2395'	Atoka	7075'
Tubb	3795'	Morrow Clastics	7220'
Abo	4590'	Chester	7315'
Wolfcamp	5610'	Lower Miss	7470'
		TD	7620'

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

Water: 65'-300'  
 Oil or Gas: All potential formations.

3. Pressure Control Equipment: BOPE will be installed on the 8 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>
17 1/2	13 3/8	48#	H-40	ST&C	0-400'	400'
12 1/4	9 5/8	36#	J-55	ST&C	0-1500'	1500'
8 3/4	5 1/2	15.5#	J-55	LT&C	0-7620'	7620'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, and Tensile Strength 1.8
2. 3,000 psi BOP will be nipped up on the 8 5/8".

## B. CEMENTING PROGRAM:

Surface Casing: Cement with 400 sx "C" + 2% CaCl<sub>2</sub> (YLD 1.34 WT 15.6).

Intermediate Casing: Cement with 400 sx "C" Lite (YLD 2.0 Wt 12.5) Tail in w/200 sx C + 2% CaCl<sub>2</sub> (YLD 1.32 wt 15.6).

Production Casing: 750 sx "C" Lite (YLD 2.0 WT 12.5). TOC 1000' Tail w/750 sx Super H. (YLD 1.67 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>
0-400'	FW	8.4-9.2	28-32	N/C
400'-1500'	FW	8.4-8.8	28	N/C
1500'-6900'	Cut Brine	8.8-9.4	28	N/C
6900'-7620'	Salt Gel/Starch	9.4-9.8	30-38	<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 -Surface casing - TD.

Logging: Platform Express, CNL/LDT/NGT - TD - surface casing, CNL/GR TD - surface, DLL/MSFL TD - surface casing, BHC Sonic TD - surface casing;

Coring: None

DST's: None

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

Anticipated BHP:

From: 0	TO: 400'	Anticipated Max. BHP: 190 PSI
From: 400'	TO: 1500'	Anticipated Max. BHP: 685 PSI
From: 1500'	TO: 7620'	Anticipated Max. BHP: 3885 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H<sub>2</sub>S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 140 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**  
**Frisbee BIF Federal Com. #1**  
**660' FSL and 660' FEL, Unit P**  
**Section 33-T13S-R27E**  
**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 well site is located approximately 6 miles east of Hagerman, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

FROM THE EAST SIDE OF HAGERMAN, GO EAST ON HIGHWAY 249 UNTIL YOU REACH THE INTERSECTION OF ABERDEEN ROAD AND MONO ROAD, TRAVEL EAST (RIGHT) ON ABERDEEN ROAD FOR APPROXIMATELY 6.0 MILES TO CATTLEGUARD ON LEFT (NORTH) AND TURN. TRAVEL EAST FOR APPROXIMATELY .5 OF MILE THEN TURN LEFT (NORTH) AND CONTINUE FOR APPROXIMATELY .6 OF MILE TO THE LONG ARROYO WH FEDERAL #1, TURN LEFT AND TRAVEL WEST FOR APPROXIMATELY .3 OF MILE AND TURN RIGHT AND TRAVEL NORTHWESTERLY FOR APPROXIMATELY 1.7 MILES TURN RIGHT AT OLD WIND MILL AND TRAVEL APPROXIMATELY .6 OF MILE TO NEW ACCESS ROAD ON THE LEFT.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 847' in length from the point of origin to the southwest corner of the drilling pad.
- 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 both sides. No traffic turnout will 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 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 no 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 closet 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 be responsible for finding a source of material for construction of road and pad and will obtain any permits which may be required.

**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. Note: Pits to North
- B. The reserve pits will be plastic lined. Yates Petroleum Corporation is in full compliance with the OCD General Plan for Drilling Pits approved on April 15, 2004.
- 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 Bureau of Land Management, Roswell, New Mexico Field Office.

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, and historical and cultural sites.
- B. The primary surface use is for grazing.


13. OPERATOR'S REPRESENTATIVE:

- |   |   |
|---|---|
| A. Through A.P.D. Approval:<br>Debbie L. Caffall, Regulatory Agent<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>Phone (505) 748-1471 | B. Through Drilling, Completions & Prod.<br>Pinson McWhorter, Operations Manager<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>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.

02/02/2006

  
Regulatory Agent

**Yates Petroleum Corporation**

Frisbee BIF Federal Com. #1  
660' FSL and 660' FEL, Unit P  
Section 33, T13S-R27E  
Chaves County, New Mexico  
Exhibit "A"

Frisbee BIF Federal Com. #1

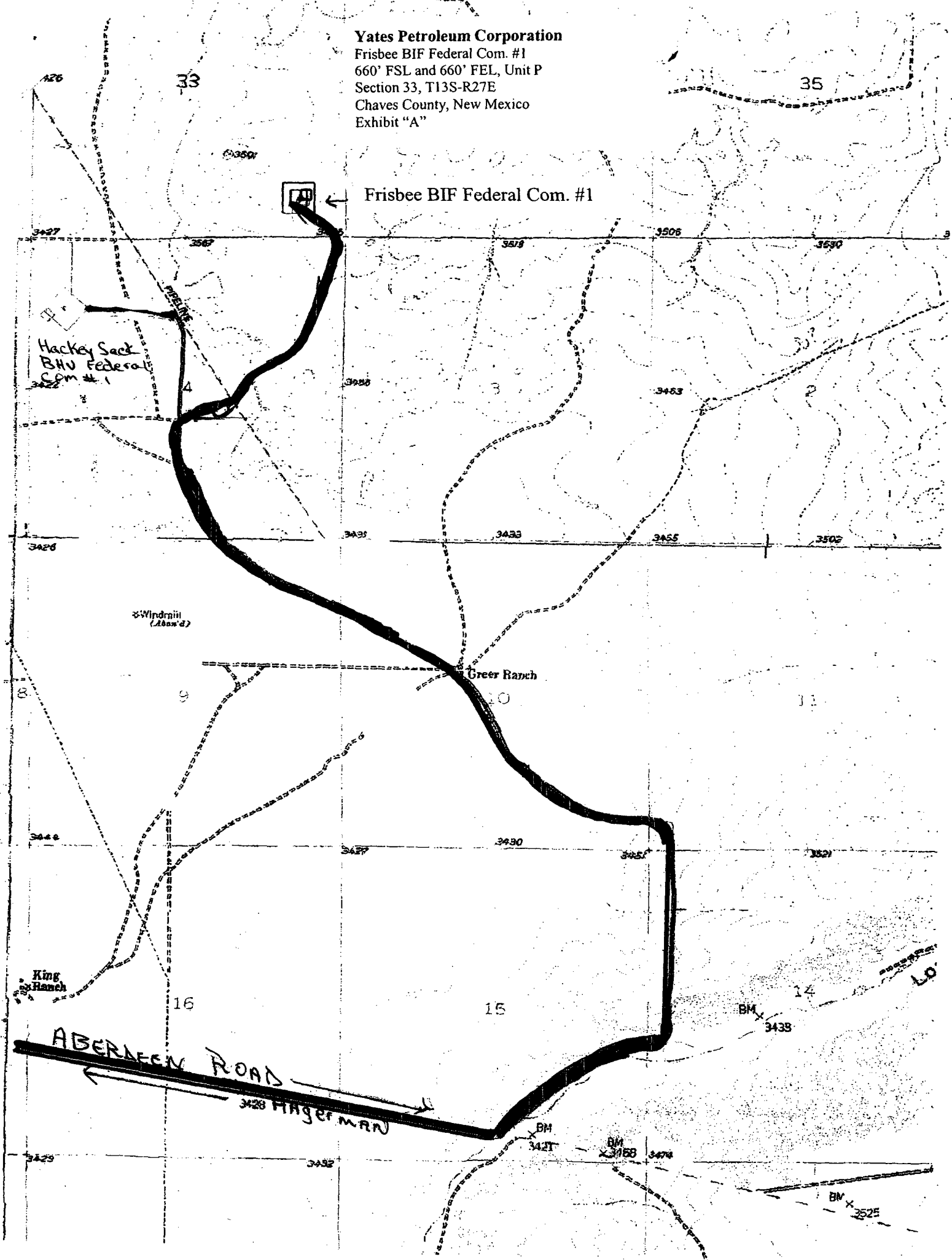
Hackey Sack  
BHU Federal  
Com #1

Greer Ranch

King  
Ranch

ABERDEEN ROAD

3428 Hagerman

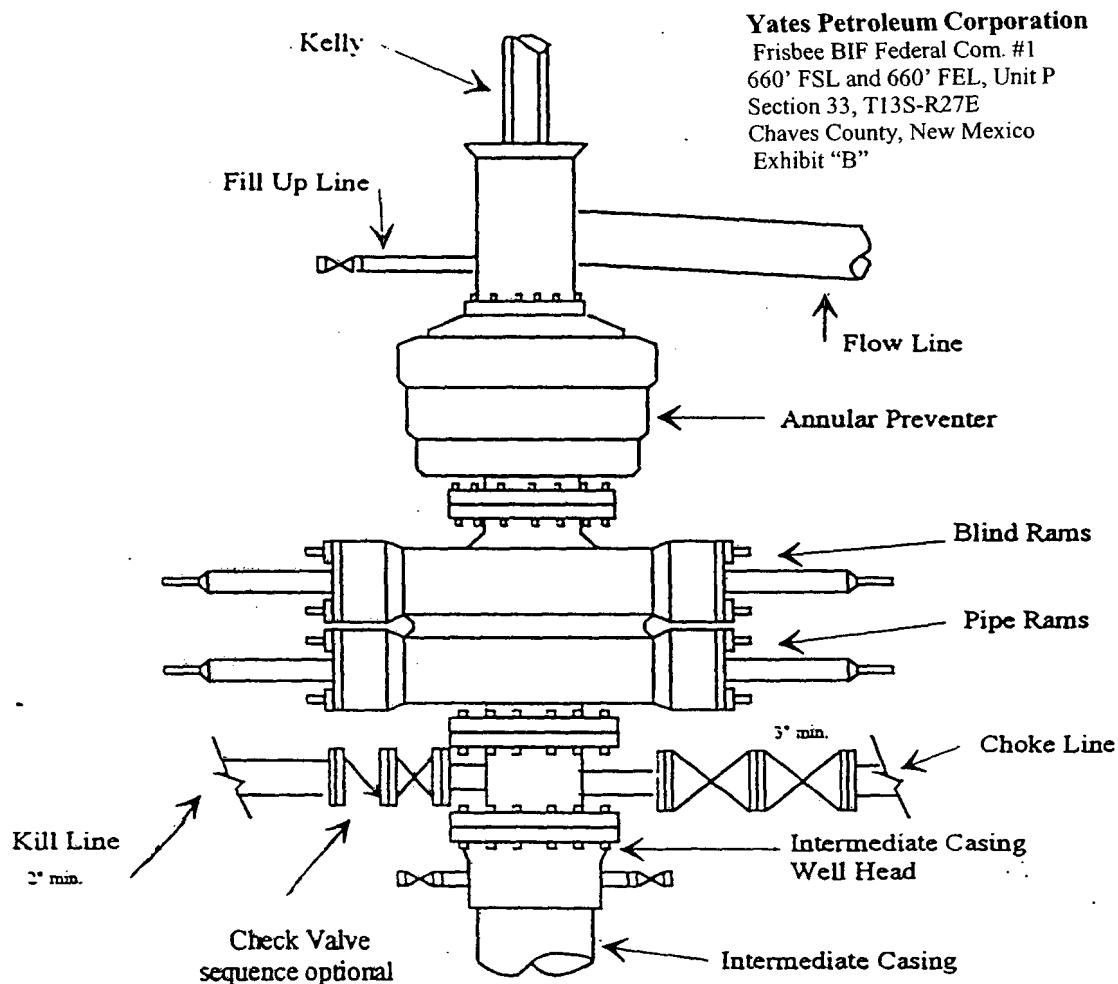




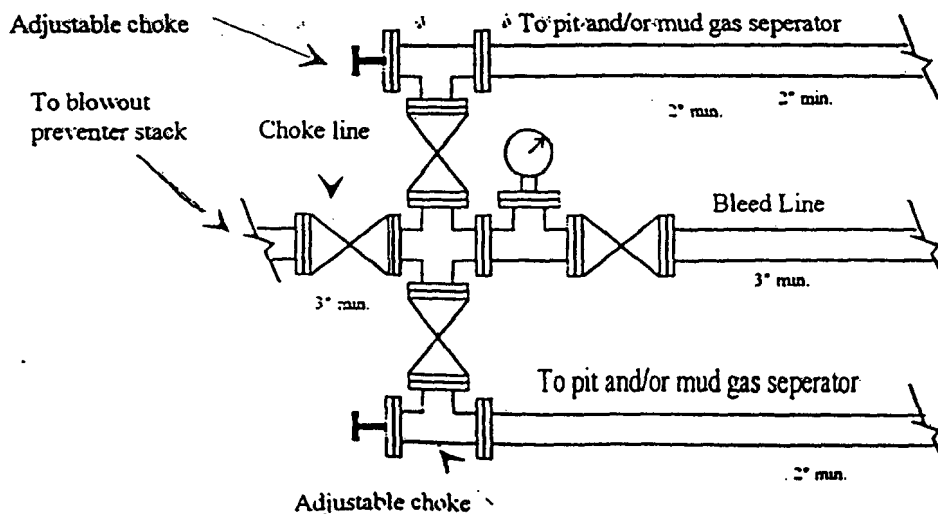
# Yates Petroleum Corporation

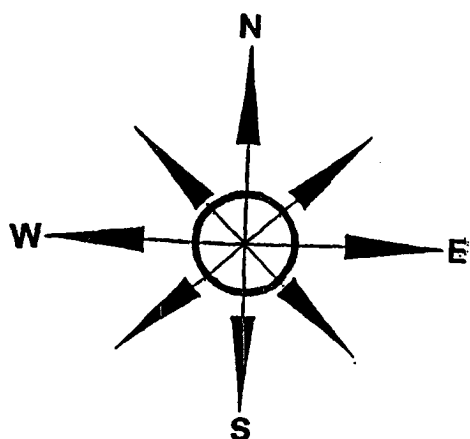
BOP-3

## 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





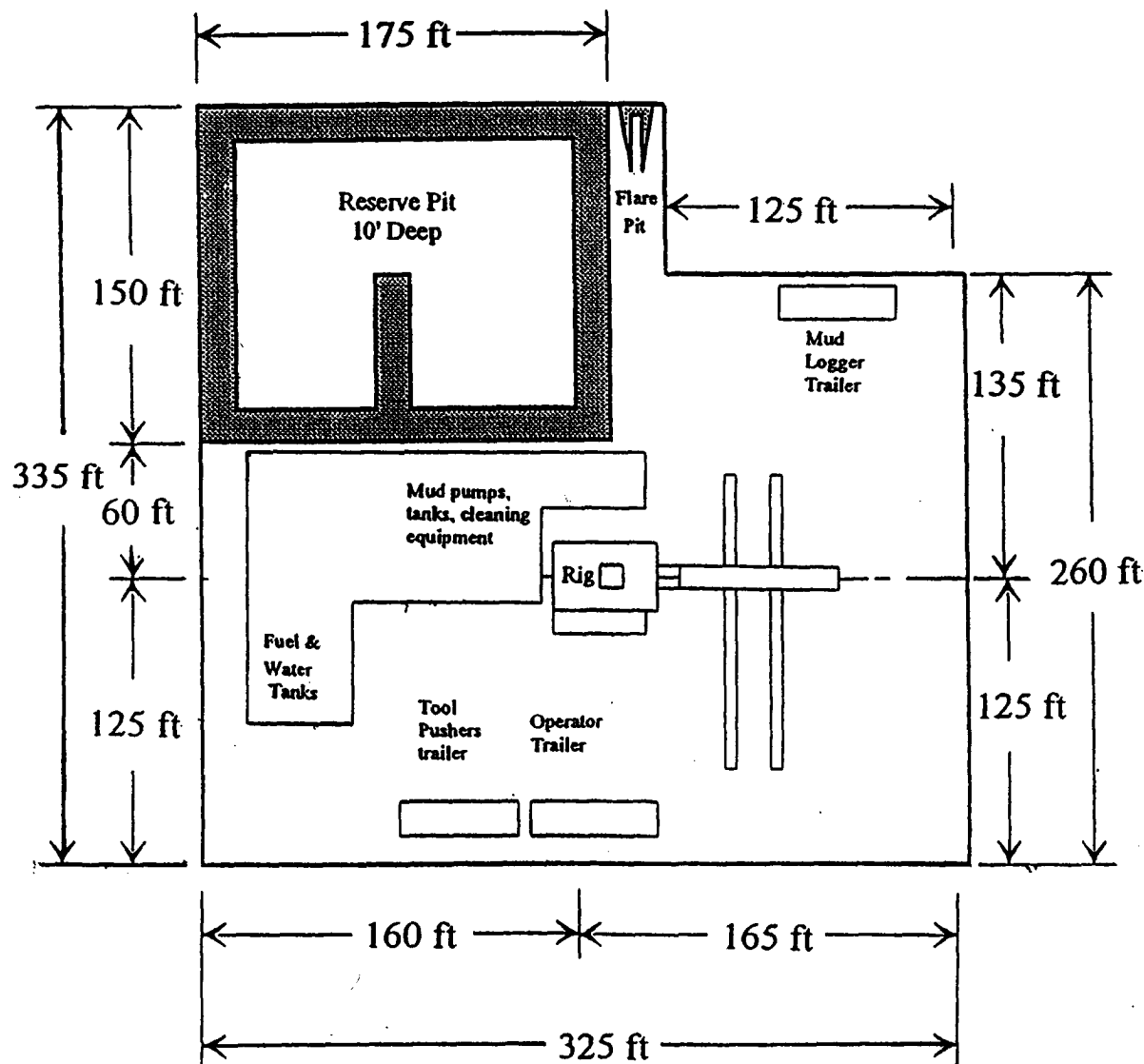
# Yates Petroleum Corporation

## Location Layout for Permian Basin

### Up to 12,000'

#### Yates Petroleum Corporation

Frisbee BIF Federal Com. #1  
 660' FSL and 660' FEL, Unit P  
 Section 33, T13S-R27E  
 Chaves County, New Mexico  
 Exhibit "C"



Distance from Well  
 Head to Reserve Pit  
 will vary between rigs

The above dimension  
 should be a maximum