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

APR 2002
RECEIVED
OCD - ARTESIA

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NM-78213

6. If Indian, Allottee or Tribe Name:

1a. Type of Work: [X] DRILL [ ] REENTER

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

b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

8. Lease Name and Well No.: Walt Canyon AMA Federal #6

2. Name of Operator: Yates Petroleum Corporation

9. API Well No.: 30-015-32997

3A. Address: 105 South Fourth Street, Artesia, New Mexico 88210

3b. Phone No. *(include area code)*: (505) 748-1471

10. Field and Pool, or Exploratory: Indian Basin Upper Penn Associated

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface: 1845' FNL & 2007' FEL

At proposed prod. Zone: 2100' FSL & 1980' FEL

11. Sec., T., R., M., or Blk, and Survey or Area: Section 3, T22S-R24E

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

12. County or Parish: Eddy County

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): 1845'

16. No. of Acres in lease: 931.24

17. Spacing Unit dedicated to this well: S/2 320 acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 20'

19. Proposed Depth: ~~10,360'~~ 8900

20. BLM/BIA Bond No. on file: 585997

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 3896'

22. Approximate date work will start*: ASAP

23. Estimated duration: 45 days

24. Attachments

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

1. Well plat certified by a registered surveyor.
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 — Date: 1/21/02

Title: Regulatory Agent

Approved by *(Signature)*: /S/ JOE G. LARA — Name *(Printed/Typed)*: /S/ JOE G. LARA — Date: APR 15 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 1001and 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

CARLSBAD CONTROLLED WATER BASIN

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
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 FED.	6

OGRID No.	Operation Name	Elevation
025575	YATES PETROLEUM CORPORATION	3896

Surface Location

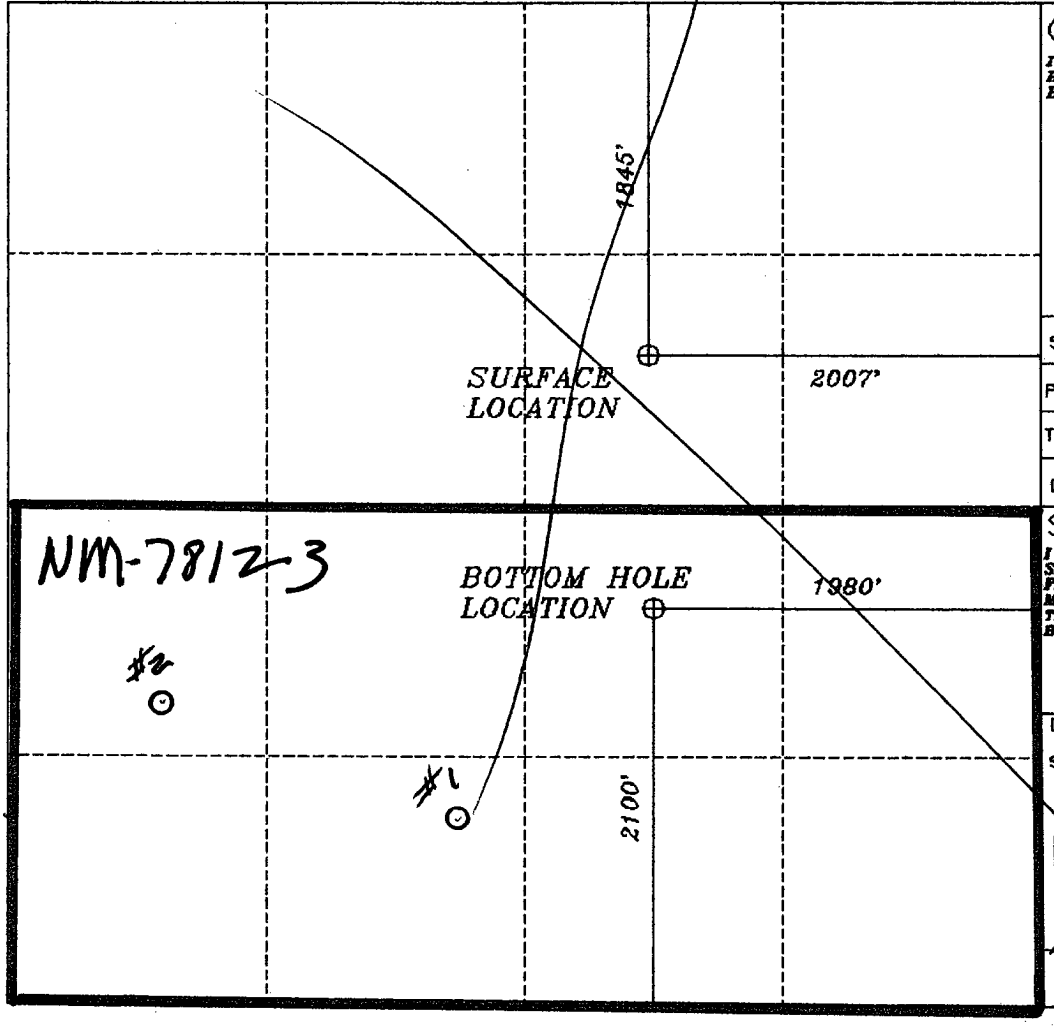
UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
G	3	22-S	24-E		1845	NORTH	2007	EAST	EDDY

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
J	3	22-S	24-E		2100	SOUTH	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



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 1/21/02

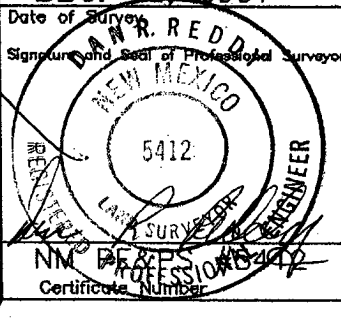
SURVEYOR CERTIFICATION

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 PE&PS 5412

Certificate Number

Drilling Prognosis
Yates Petroleum Corporation
Walt Canyon AMA Federal #6
1845' FNL and 2007' FEL Surface Location
2100' FSL and 1980' FEL Bottom Hole Location
Eddy County, New Mexico

Procedure:

Yates Petroleum Corporation plans to drill this well vertically to a depth of 3822' with the hole sizes and casing program included in the APD. At 3822' a gyro survey will be run to determine the exact bottom hole location. The directional plan will then be adjusted based on that data. The well will then be kicked off with a build rate of 3 deg/100' until a final inclination of 22.5 degrees is reached. This angle will be held to a depth of approximately 7100' TVD, at which point a drop rate of 3 degrees/100' will be used to return the well to vertical. The well will be returned to vertical by 7805' TVD (top of Canyon), and the remainder of the well will be drilled vertically to the TVD of 10,350' approximately 10,350' 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 same well pad as the Walt Canyon AMA Federal #5. The Walt Canyon AMA Federal #5 will be a vertical well.

YATES PETROLEUM CORPORATION
Walt Canyon AMA Federal #6
1845' FNL and 2007' FEL – Surface Location
2100' FSL and 1980' FEL – Bottom Hole Location
Sec. 3-T22S-R24E
Eddy County, New Mexico

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

San Andres	1145'	Cisco Canyon Dolomite	7805'
Glorietta	2525'	Base of Dolomite	8480'
Bone Springs	2925'	Strawn	8765'
2nd Bone Springs	4455'	Atoka	9515'
3rd Bone Springs	7135'	Morrow Clastics	9985'
Wolfcamp	7275'	Chester	10225'
		TD	10350'

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: 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	Coupling	Interval	Length
14 3/4"	9 5/8"	36#	J-55	ST+C	0-1600' WITNESS	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#	HCP-110	LT+C	9100'-10350'	1250'

WITNESS

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 250sx Class 'C' + 2% CaCl2 (YLD 1.32 WT 14.8).

Production Casing: TOC 6700' TVD/6900" MD, 150 scf N2/150 BBL mud ahead, tail in with 550 sx Super C (YLD 1.64 WT 13.0).

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

Interval	Type	Weight	Viscosity	Fluid Loss
0-1600'	FW/Air Mist	8.4- 8.6	28	N/C
1600'-8051'	Cut Brine	8.6-9.0	28	N/C
8051'-10200'	SWGel/Starch	9.0-9.4	30-34	<15
10200'-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:	10350'	Anticipated Max. BHP	5300 PSI.

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

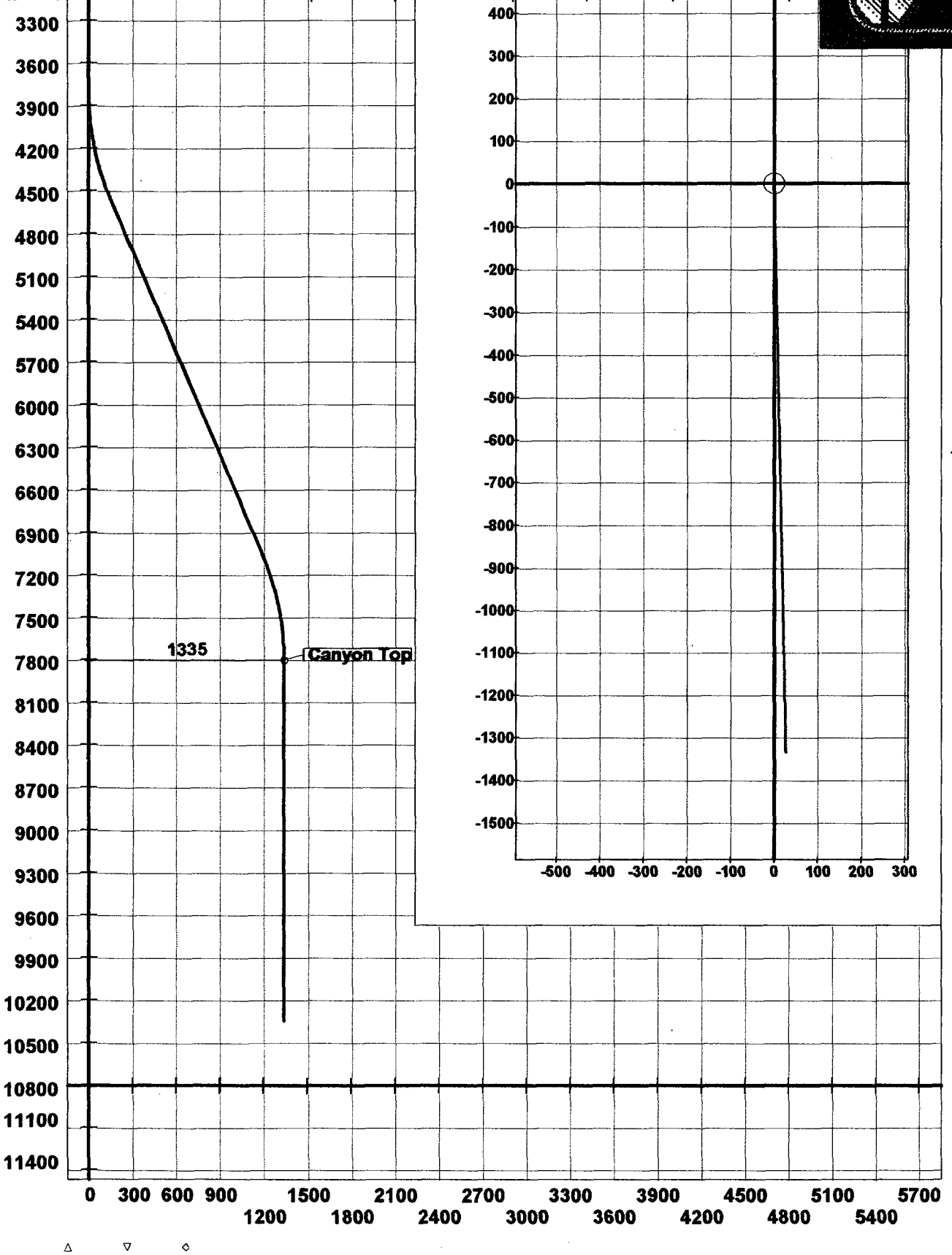
H2S Zones Anticipated: Possible in Canyon.

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.

Company: Yates Petroleum Corporation
Lease/Well: Walt Canyon AMA Federal #6
Location: Section 3 T22S-R24E, Surf: 1,845' N & 2,007' E, BHL: 2,100' S & 1,98



Job Number: 1

State/Country: Eddy/NM/USA

Company: Yates Petroleum Corporation
Lease/Well: Walt Canyon AMA Federal #6
Location: Section 3 T22S-R24E, Surf: 1,845' N & 2,007' E, BHL: 2,100' S & 1,980' E

Declination:
Grid:
File name: C:\WINSERVE\WALT6.SVY

Rig Name:
RKB:
G.L. or M.S.L.: 3,840'

Date/Time: 23-Jan-02 / 10:47
Curve Name: Preliminary/Proposed

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 178.84
Vertical Section Referenced to offset from Wellhead: EW =.00 Ft, NS=.00 Ft
Rectangular Coordinates Referenced to Wellhead

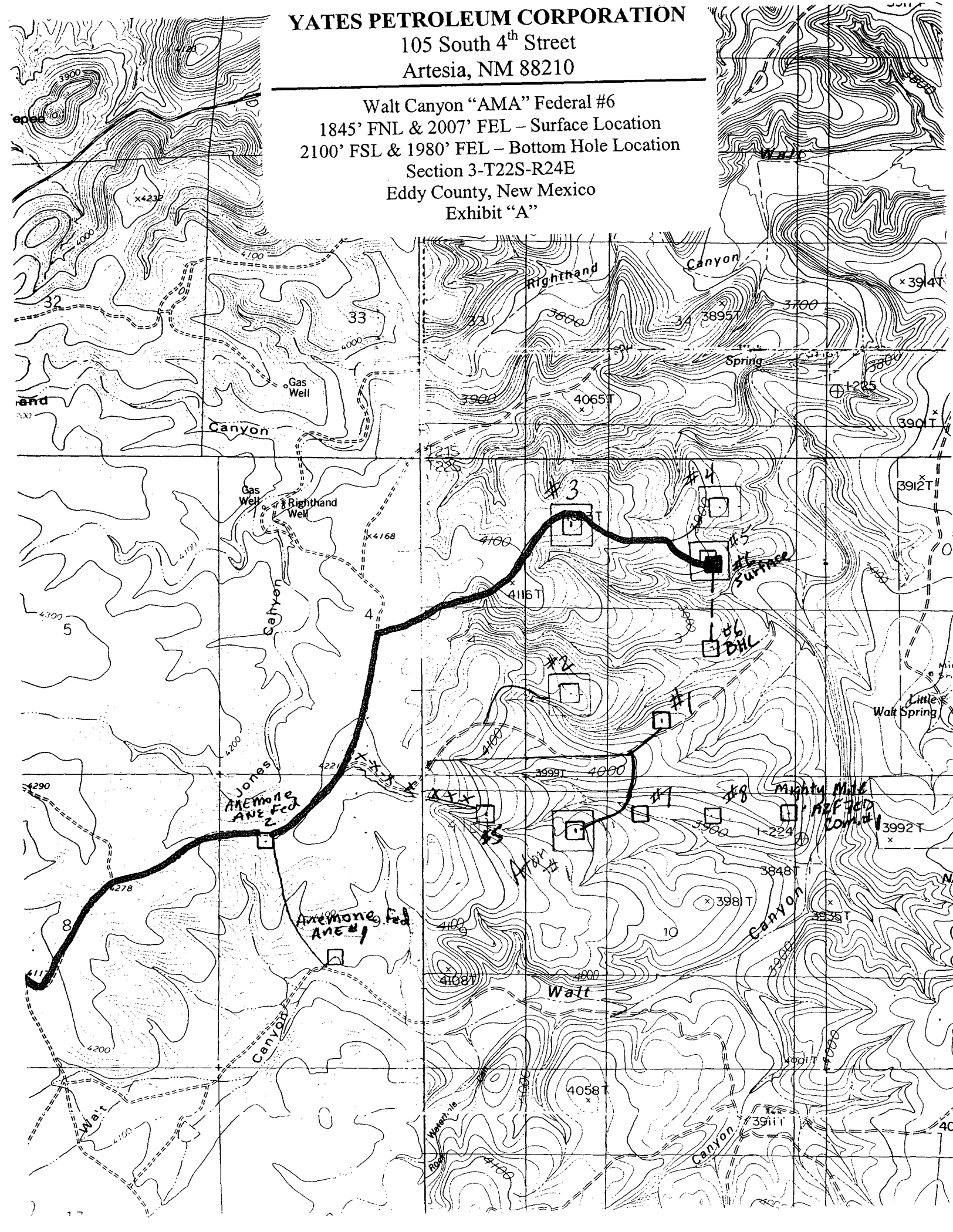
Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
RUN GYRO, MAKE GYRO TIE-IN, TIH WITH DIRECTIONAL TOOLS, BEGIN TIME DRILLING, BUILD @ 3 DEG/100'.									
3821.58	.00	178.84	3821.58	.00	.00	.00	.00	.00	.00
3851.58	.90	178.84	3851.58	-.24	.00	.24	.24	178.84	3.00
3881.58	1.80	178.84	3881.57	-.94	.02	.94	.94	178.84	3.00
3911.58	2.70	178.84	3911.54	-2.12	.04	2.12	2.12	178.84	3.00
3941.58	3.60	178.84	3941.50	-3.77	.08	3.77	3.77	178.84	3.00
3971.58	4.50	178.84	3971.42	-5.89	.12	5.89	5.89	178.84	3.00
4001.58	5.40	178.84	4001.31	-8.47	.17	8.48	8.48	178.84	3.00
4031.58	6.30	178.84	4031.15	-11.53	.23	11.53	11.53	178.84	3.00
4061.58	7.20	178.84	4060.95	-15.06	.30	15.06	15.06	178.84	3.00
4091.58	8.10	178.84	4090.68	-19.05	.39	19.05	19.05	178.84	3.00
4121.58	9.00	178.84	4120.34	-23.51	.48	23.51	23.51	178.84	3.00
4151.58	9.90	178.84	4149.94	-28.43	.58	28.44	28.44	178.84	3.00
4181.58	10.80	178.84	4179.45	-33.82	.68	33.83	33.83	178.84	3.00
4211.58	11.70	178.84	4208.87	-39.67	.80	39.68	39.68	178.84	3.00
4241.58	12.60	178.84	4238.20	-45.99	.93	46.00	46.00	178.84	3.00
4271.58	13.50	178.84	4267.42	-52.76	1.07	52.77	52.77	178.84	3.00
4301.58	14.40	178.84	4296.54	-59.99	1.21	60.00	60.00	178.84	3.00
4331.58	15.30	178.84	4325.54	-67.68	1.37	67.69	67.69	178.84	3.00
4361.58	16.20	178.84	4354.41	-75.82	1.53	75.83	75.83	178.84	3.00
4391.58	17.10	178.84	4383.15	-84.41	1.71	84.43	84.43	178.84	3.00
4421.58	18.00	178.84	4411.76	-93.46	1.89	93.48	93.48	178.84	3.00
4451.58	18.90	178.84	4440.21	-102.95	2.08	102.97	102.97	178.84	3.00
4481.58	19.80	178.84	4468.52	-112.89	2.28	112.91	112.91	178.84	3.00
4511.58	20.70	178.84	4496.66	-123.27	2.49	123.29	123.29	178.84	3.00
4541.58	21.60	178.84	4524.64	-134.09	2.71	134.12	134.12	178.84	3.00
END OF BUILD, HOLD 22.5 DEGREE ANGLE, STEER FOR ADJUSTMENT AS NEEDED.									
4571.58	22.50	178.84	4552.45	-145.35	2.94	145.38	145.38	178.84	3.00

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
4571.58	-22.50	178.84	4552.45	-145.35	2.94	145.38	145.38	178.84	1126.99
4671.58	22.50	178.84	4644.84	-183.61	3.71	183.65	183.65	178.84	.00
4771.58	22.50	178.84	4737.22	-221.87	4.49	221.92	221.92	178.84	.00
4871.58	22.50	178.84	4829.61	-260.13	5.26	260.18	260.18	178.84	.00
4971.58	22.50	178.84	4922.00	-298.39	6.03	298.45	298.45	178.84	.00
5071.58	22.50	178.84	5014.39	-336.65	6.81	336.72	336.72	178.84	.00
5171.58	22.50	178.84	5106.78	-374.91	7.58	374.99	374.99	178.84	.00
5271.58	22.50	178.84	5199.16	-413.17	8.36	413.26	413.26	178.84	.00
5371.58	22.50	178.84	5291.55	-451.43	9.13	451.53	451.53	178.84	.00
5471.58	22.50	178.84	5383.94	-489.69	9.90	489.79	489.79	178.84	.00
5571.58	22.50	178.84	5476.33	-527.95	10.68	528.06	528.06	178.84	.00
5671.58	22.50	178.84	5568.72	-566.22	11.45	566.33	566.33	178.84	.00
5771.58	22.50	178.84	5661.10	-604.48	12.23	604.60	604.60	178.84	.00
5871.58	22.50	178.84	5753.49	-642.74	13.00	642.87	642.87	178.84	.00
5971.58	22.50	178.84	5845.88	-681.00	13.77	681.14	681.14	178.84	.00
6071.58	22.50	178.84	5938.27	-719.26	14.55	719.40	719.40	178.84	.00
6171.58	22.50	178.84	6030.66	-757.52	15.32	757.67	757.67	178.84	.00
6271.58	22.50	178.84	6123.04	-795.78	16.09	795.94	795.94	178.84	.00
6371.58	22.50	178.84	6215.43	-834.04	16.87	834.21	834.21	178.84	.00
6471.58	22.50	178.84	6307.82	-872.30	17.64	872.48	872.48	178.84	.00
6571.58	22.50	178.84	6400.21	-910.56	18.42	910.75	910.75	178.84	.00
6671.58	22.50	178.84	6492.60	-948.82	19.19	949.01	949.01	178.84	.00
6771.58	22.50	178.84	6584.98	-987.08	19.96	987.28	987.28	178.84	.00
6871.58	22.50	178.84	6677.37	-1025.34	20.74	1025.55	1025.55	178.84	.00
6971.58	22.50	178.84	6769.76	-1063.60	21.51	1063.82	1063.82	178.84	.00
7071.58	22.50	178.84	6862.15	-1101.86	22.28	1102.09	1102.09	178.84	.00
7171.58	22.50	178.84	6954.53	-1140.12	23.06	1140.36	1140.36	178.84	.00
7271.58	22.50	178.84	7046.92	-1178.38	23.83	1178.62	1178.62	178.84	.00
7301.02	22.50	178.84	7074.13	-1189.65	24.06	1189.89	1189.89	178.84	.00
END OF HOLD SECTION, BEGIN DROPPING AT A RATE OF 3 DEGREES/100'									
7331.02	21.60	178.84	7101.93	-1200.91	24.29	1201.16	1201.16	178.84	3.00
7361.02	20.70	178.84	7129.91	-1211.73	24.51	1211.98	1211.98	178.84	3.00
7391.02	19.80	178.84	7158.06	-1222.11	24.72	1222.36	1222.36	178.84	3.00
7421.02	18.90	178.84	7186.36	-1232.05	24.92	1232.30	1232.30	178.84	3.00
7451.02	18.00	178.84	7214.82	-1241.54	25.11	1241.80	1241.80	178.84	3.00
7481.02	17.10	178.84	7243.42	-1250.59	25.29	1250.84	1250.84	178.84	3.00
7511.02	16.20	178.84	7272.17	-1259.18	25.47	1259.44	1259.44	178.84	3.00
7541.02	15.30	178.84	7301.04	-1267.32	25.63	1267.58	1267.58	178.84	3.00
7571.02	14.40	178.84	7330.04	-1275.01	25.79	1275.27	1275.27	178.84	3.00
7601.02	13.50	178.84	7359.15	-1282.24	25.93	1282.50	1282.50	178.84	3.00
7631.02	12.60	178.84	7388.38	-1289.01	26.07	1289.28	1289.28	178.84	3.00
7661.02	11.70	178.84	7417.70	-1295.33	26.20	1295.59	1295.59	178.84	3.00

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
7691.02	10.80	178.84	7447.13	-1301.18	26.32	1301.44	1301.44	178.84	3.00
7721.02	9.90	178.84	7476.64	-1306.57	26.42	1306.83	1306.83	178.84	3.00
7751.02	9.00	178.84	7506.23	-1311.49	26.52	1311.76	1311.76	178.84	3.00
7781.02	8.10	178.84	7535.90	-1315.95	26.61	1316.22	1316.22	178.84	3.00
7811.02	7.20	178.84	7565.63	-1319.94	26.70	1320.21	1320.21	178.84	3.00
7841.02	6.30	178.84	7595.42	-1323.47	26.77	1323.74	1323.74	178.84	3.00
7871.02	5.40	178.84	7625.27	-1326.53	26.83	1326.80	1326.80	178.84	3.00
7901.02	4.50	178.84	7655.15	-1329.11	26.88	1329.39	1329.39	178.84	3.00
7931.02	3.60	178.84	7685.08	-1331.23	26.92	1331.50	1331.50	178.84	3.00
7961.02	2.70	178.84	7715.03	-1332.88	26.96	1333.15	1333.15	178.84	3.00
7991.02	1.80	178.84	7745.01	-1334.06	26.98	1334.33	1334.33	178.84	3.00
8021.02	.90	178.84	7775.00	-1334.76	27.00	1335.04	1335.04	178.84	3.00
8051.02	.00	178.84	7805.00	-1335.00	27.00	1335.27	1335.27	178.84	3.00
Canyon Top--WELL SHOULD BE VERTICAL AT THIS POINT AT A NEW BHL OF 2,100' E & 1,980' E. DRILL REMAINDER OF WELL VERTICALLY									
8051.02	.00	178.84	7805.00	-1335.00	27.00	1335.27	1335.27	178.84	3.76
8151.02	.00	178.84	7905.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
8251.02	.00	178.84	8005.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
8351.02	.00	178.84	8105.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
8451.02	.00	178.84	8205.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
8551.02	.00	178.84	8305.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
8651.02	.00	178.84	8405.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
8751.02	.00	178.84	8505.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
8851.02	.00	178.84	8605.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
8951.02	.00	178.84	8705.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9051.02	.00	178.84	8805.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9151.02	.00	178.84	8905.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9251.02	.00	178.84	9005.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9351.02	.00	178.84	9105.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9451.02	.00	178.84	9205.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9551.02	.00	178.84	9305.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9651.02	.00	178.84	9405.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9751.02	.00	178.84	9505.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9851.02	.00	178.84	9605.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
9951.02	.00	178.84	9705.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
10051.02	.00	178.84	9805.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
10151.02	.00	178.84	9905.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
10251.02	.00	178.84	10005.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
10351.02	.00	178.84	10105.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
10451.02	.00	178.84	10205.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
10551.02	.00	178.84	10305.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
10596.02	.00	178.84	10350.00	-1335.00	27.00	1335.27	1335.27	178.84	.00
END OF WELL, RUN CASING OR P & A.									

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

Walt Canyon "AMA" Federal #6
1845' FNL & 2007' FEL – Surface Location
2100' FSL & 1980' FEL – Bottom Hole Location
Section 3-T22S-R24E
Eddy County, New Mexico
Exhibit "A"

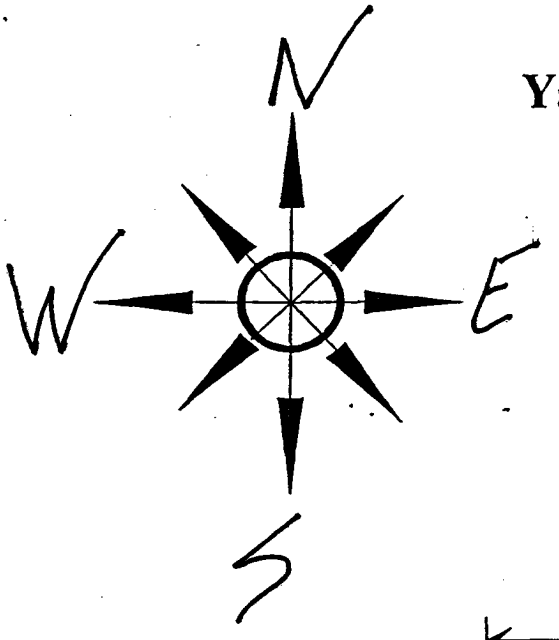


YATES PETROLEUM CORPORATION
105 South 4th Street
Artesia, NM 88210

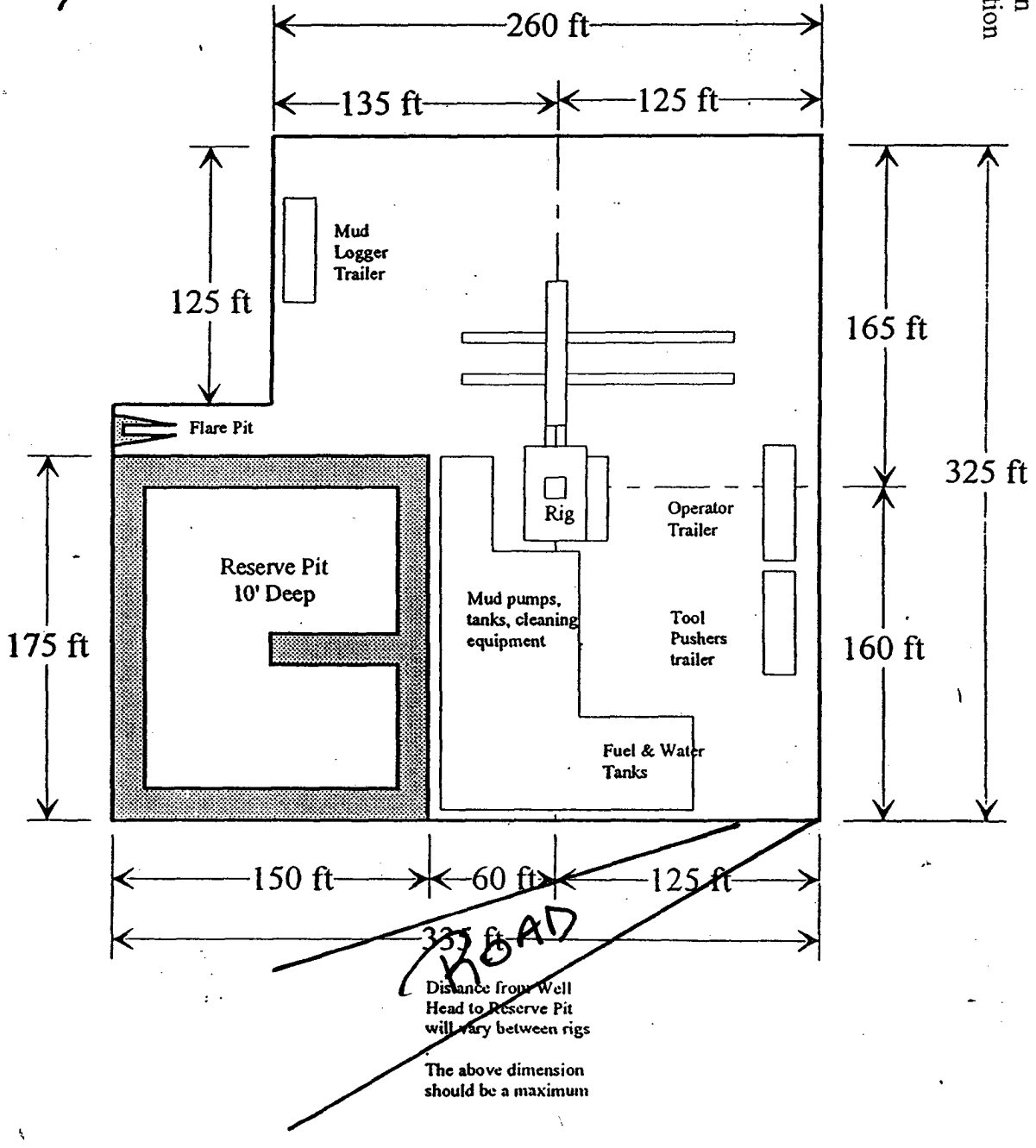
Walt Canyon "AMA" Federal #6
1845' FNL & 2007' FEL – Surface Location
2100' FSL & 1980' FEL – Bottom Hole Location
Section 3-T22S-R24E
Eddy County, New Mexico
Exhibit "C"

Yates Petroleum Corporation

Location Layout for Permian Basin
Up to 12,000'



Pits West



Distance from Well Head to Reserve Pit will vary between rigs

The above dimension should be a maximum

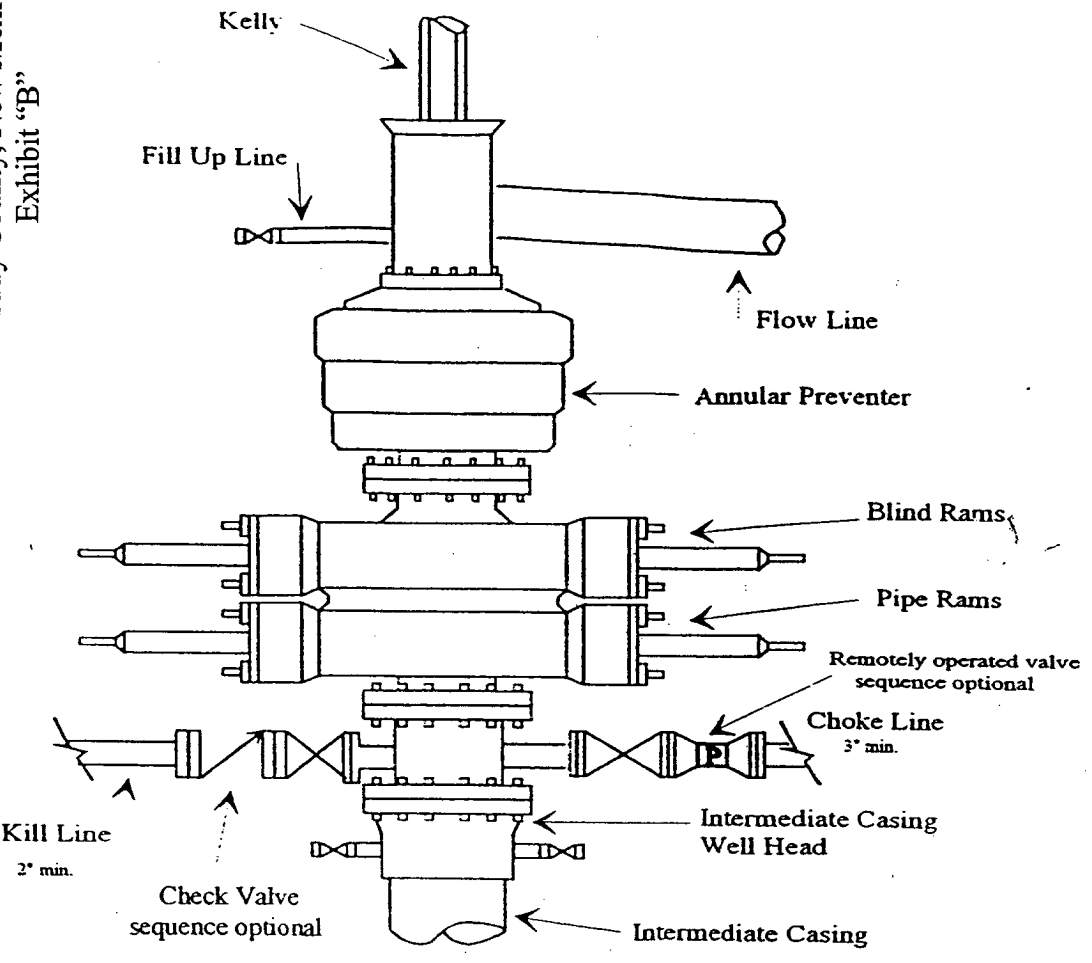
YATES PETROLEUM CORPORATION
105 South 4th Street
Artesia, NM 88210

Walt Canyon "AMA" Federal #6
1845' FNL & 2007' FEL – Surface Location
2100' FSL & 1980' FEL – Bottom Hole Location
Section 3-T22S-R24E
Eddy County, New Mexico
Exhibit "B"

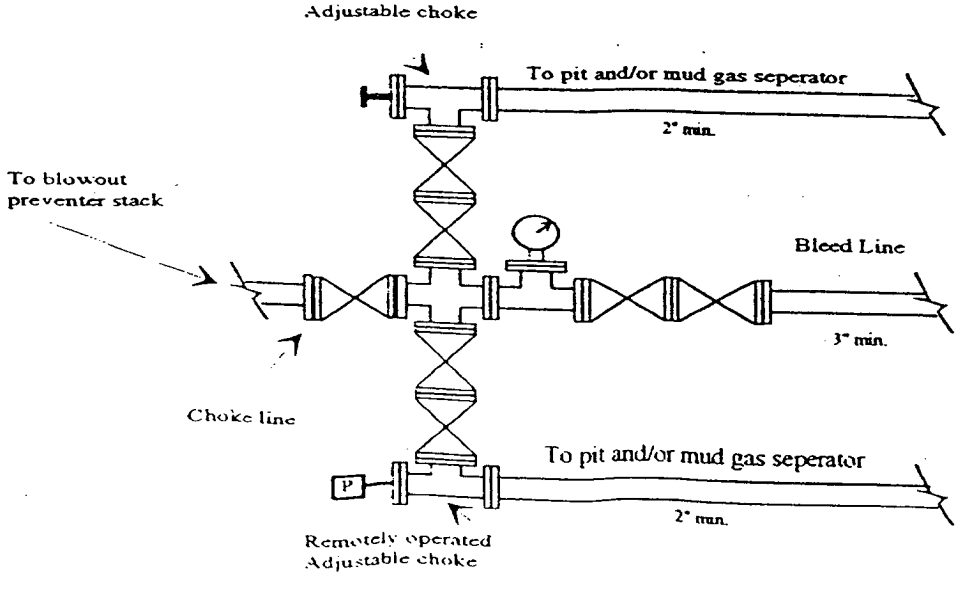
BOP-4

Yates Petroleum Corporation

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



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



(August 1999)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NM-78213

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
Walt Canyon AMA Federal #6

2. Name of Operator
Yates Petroleum Corporation

9. API Well No.

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

3b. Phone No. *(include area code)*
(505) 748-1471

10. Field and Pool, or Exploratory Area
Indian Basin Upper Penn Assoc.

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1845' FNL and 2007' FEL Surface Location
1980' FSL and 660' FEL Bottom Hole Location Section 3, T22S-R24E
Sec 3 / 1980

Eddy County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change Bottom Hole Location.
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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 wishes to change the Bottom Hole Location only for the captioned well.
From: 2100' FSL and 1980' FEL old bottom hole location.
To: 1980' FSL and 660' FEL new bottom hole location.

A request for a one (1) year extention for APD was sent in 2/28/03, however we have not received approval from Carlsbad for this request as of this date.

Thank you.

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

Name *(Printed/Typed)* Cy Cowan — Title Regulatory Agent

Signature — Date August 13, 2003

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)

Form 3160-5
(August 1999)

ITED 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 to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM78213

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
WALT CANYON AMA FED 6

2. Name of Operator
YATES PETROLEUM CORPORATION
Contact: ROBERT ASHER
E-Mail: landdept@ypcnm.com

9. API Well No.

3a. Address
105 S 4TH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 505.748.4364
Fx: 505.748.4572

10. Field and Pool, or Exploratory
INDIAN BASIN UPPER PENN ASSOC

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 3 T22S R24E SWNE 1845FNL 2007FEL

11. County or Parish, and State
EDDY COUNTY, NM

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

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

13. Describe Proposed or Completed Operation (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 recomplete 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 recompletion 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 wishes to extend the APD expiration date for one (1) year to April 15, 2004 for the Walt Canyon AMA Federal Com. #6.

Thank you.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #19037 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by Linda Askwig on 03/05/2003 (03LA0367SE)

Name *(Printed/Typed)* CY COWAN — Title REGULATORY AGENT

Signature (Electronic Submission) — Date 02/28/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE G LARA — Title PETROLEUM ENGINEER — Date 04/15/2003

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 Carlsbad

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.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****

H2S Emergency Contingency Plan For Field Operation

Alert and account for all personnel on location.

- Move away from the source of the H2S and get out of the affected area. Move upwind from the well bore. Avoid inhalation of H2S.
- Don proper personal breathing equipment – 30 min. SCBA.
- Assist any personnel in distress using the 'buddy system"
- Alert other affected personnel on location.
- Proceed to pre-designated meeting area.
- Account for all personnel on location.

Take action to control the release of the H2S. Eliminate all possible sources of ignition.

Do not re-enter the affected area without appropriate breathing equipment.

- Take all appropriate measures to shut in the H2S gas source.
- Put out all open flames in the affected area and shut down all motors.
- **Notify Supervisors.**

The YPC Supervisor that will assess the situation and assign duties to variation persons to bring the situation under control. Notifications of local law enforcement agencies, residents, and emergency vehicles will be assigned by the YPC Office.
Any press inquiries are to be referred to the YPC main office at 105 S Fourth Street, Artesia NM 88210. No statement to the Public or Media will be made by anyone other than management or a spokesperson authorized by management.

If The Above Actions Cannot Be Safely Accomplished:

Alert The Public That May Be Immediately Affected.
- Down wind residences.
- Highway or street traffic that may be affected.

Contact The Appropriate Government Agency(s) (911,Sheriff, Railroad Commissions, City Police Etc.).

- State police – if on or near a state road
- Sheriff's dept. – if on or near a county road
  (Requests help to evacuate the public if necessary and to help maintain roadblocks)

- Make any necessary recommendations, wind direction, affected area, etc.
- Start evacuation procedures where appropriate.
- Proceed with best plan (at the time) to regain control of the leak.
- Maintain tight security and safety procedures.

Rescue & First Aid For Victims Of Hydrogen Sulfide Poisoning

Do not panic!
Remain calm and think!

Don (put on) breathing apparatus.

Remove victim to fresh air as quickly as possible (i.e. Upwind from source or crosswind to achieve upwind). Do not run downwind.

Provide artificial respiration and/or CPR as necessary. (Use proper technique of turning your head after each breath to avoid inhaling exhaled H2S). If victim's clothing is contaminated with fluid that contains H2S then strip them to the waist.

Provide for prompt medical attention.

Notify the medical personnel beforehand that the victim has been poisoned by H2S.

In addition to basic First Aid, everyone on location should have a good working knowledge of CPR.

Physical Effects of Hydrogen Sulfide

Concentrations		Physical Effects
0.001%	10 ppm	obvious, and unpleasant odor- safe for 8 hours exposure
0.005%	50 ppm	cause some flu-like symptoms and can cause pneumonia
0.01%	100 ppm	kills sense of smell in 3-15 minutes – may sting eyes and throat.
0.02%	200 ppm	kills sense of smell rapidly, severely stings eyes and throat, severe flu-like symptoms 4 or more hours may cause lung damage and/or death.
0.06%	600 ppm	unconscious quickly, death will result if not rescued promptly.

* at 15.00 psia and 60 deg F.

CAUTION:
Hydrogen Sulfide is a colorless, transparent gas and is flammable. It is heavier than air and may accumulate in low places.

Public Evacuation Plan

1. When the YPC supervisor determines the H2S or other emergency cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.

2. The supervisor will notify local government agencies that a hazardous condition exists and evacuation needs to be implemented.

3. A safety person who has been trained in the use of H2S detection equipment and self-contained breathing apparatus shall monitor H2S concentrations, heat exposure, wind directions, and area of exposure. He/she will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area shall be determined from the information gathered.

4. Law enforcement shall be called to aid in setting up and maintaining roadblocks. They will also aid in evacuation of the public if necessary, but they shall not be asked to enter the hazardous zone.

5. Constant communications shall be maintained between company personnel and law enforcement safe for re-entry.

6. After the discharge of gas has been controlled, the safety person will determine when the area is safe for re-entry.

All atmospheric monitoring equipment shall have a minimum capability of reading H2S, oxygen, and flammability values.