

Form 3160-3
(August 1999)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No.

NM-81218

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

Brannigan ANF Federal #7

9. API Well No.

30-015-33057

10. Field and Pool, or Exploratory

Indian Basin Upper Penn Assoc.

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

Section 6, T22S-R24E

12. County or Parish

Eddy County, NM

13. State

NM

1a. Type of Work: ☒ DRILL

☐ REENTER

b. Type of Well: ☐ Oil Well ☒

Gas
Well

☐

Other

☐

Single

☐

Multiple Zone

2. Name of Operator

Yates Petroleum Corporation

SUBJECT TO LIKE
APPROVAL BY STATE

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

2415' FNL and 2119' FEL Surface Location

At proposed prod. Zone

660' FNL and 1980' FWL Bottom Hole Location

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

Approximately 31 miles northwest of Carlsbad, New Mexico.

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

2310'

16. No. of Acres in lease

660.09

17. Spacing Unit dedicated to this well

W/2

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

2600'

19. Proposed Depth

10,200'

20. BLM/BIA Bond No. on file

585997

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

4023' GL

22. Approximate date work will start*

ASAP

23. Estimated duration

45 days

24. Attachments

CARLSBAD CONTROLLED WATER BASIN

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

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office.

4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized office.

25. Signature

Name (Printed/Typed)

Date

Cy Cowan

8/19/03

Title:

Regulatory Agent

Approved by (Signature)

/s/ Joe G. Lara

Name (Printed/Typed)

/s/ Joe G. Lara

Date

9 OCT 2003

Title ACTING
FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct
operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United
States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

District I
1825 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 Assoc.
Property Code	Property Name	Well Number
	BRANNIGAN ANF FEDERAL	7
OGRID No.	Operation Name	Elevation
025575	YATES PETROLEUM CORPORATION	4023

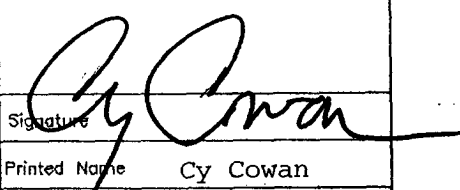
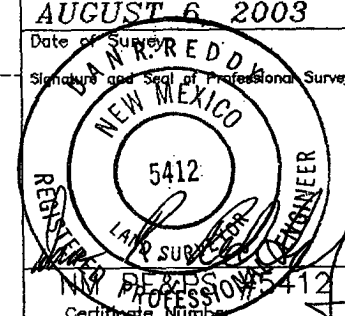
Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
G	6	22-S	24-E		2415	NORTH	2119	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
LOT 3	6	22-S	24-E		660	NORTH	1980	WEST	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-81218		660'				OPERATOR CERTIFICATION	
1980'		⊕ BOTTOM HOLE LOCATION				I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.	
		2415'				Signature 	
		⊕ SURFACE LOCATION				Printed Name Cy Cowan	
		2119'				Title Regulatory Agent	
						Date August 19, 2003	
						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.	
						AUGUST 6, 2003	
						Date of Survey	
						Signature and Seal of Professional Surveyor	
							
						Certificate Number	

YATES PETROLEUM CORPORATION
Brannigan ANF Federal #7
 2415' FNL and 2119' FEL Surface Location
 660' FNL & 1980' FWL Bottom Hole Location
 Sec. 6-T22S-R24E
 Eddy County, New Mexico

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

Queen	Surface	Strawn	8992'
San Andres	1085'	Atoka	9378'
Glorietta	2568'	Upper Morrow	9770'
2 nd Bone Springs	4080'	Mid Morrow	9835'
3rd Bone Springs	6905'	Lower Morrow	9985'
Wolfcamp	7084'	Base Morrow	10095'
Cisco Canyon Dolomite	7780'	TD	10200'
Base of Dolomite	8267'		
Lower Canyon Lime	8287'		

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

Water: 250' - 350'
 Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 8 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	0-2560	2560'
8 3/4"	7.0"	26#	L-80	LT&C	0-800'	800'
8 3/4"	7.0"	26#	J-55	LT&C	800'-2100'	1300'
8 3/4"	7.0"	23#	J-55	LT&C	2100'-4900'	1300' 2800
8 3/4"	7.0"	26#	J-55	LT&C	4900'-7100'	2200'
8 3/4"	7.0"	26#	L-80	LT&C	7100'-9300'	2200'
8 3/4"	7.0"	26#	HCP-110	LT&C	9300'-10200'	900'

Possible set 7" early if severe lost circ. in Canyon

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

B. Cementing Program:

Surface casing: 1800 sx Lite (YLD 2.0 WT 12.5), tail with 250 sx 'C' +2% CaCL2 (YLD 1.33 WT 14.8)

Production Casing: Stage I 350 sx 'H' (YLD 1.72 WT 13.0).

Stage II Lead in with 450 sx Interfill 'C' (YLD 2.71 WT 11.5).

If needed due to H2S tail in with 100 sx Premium (YLD 1.18 WT 15.6) Note attached contingency plan for drilling operations

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-2650'	FW/Air Mist	8.4	28	N/C
2605'-7750'	Cut Brine	8.6-9.0	28	N/C
7750'-10,000'	Cut Brine/Starch/S Gel	9.0-9.4	28-32	<12cc
10,000'-TD	Salt Gel/Starch	9.4-9.8	34-38	<10cc

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.

Logging: Platform Express, HALS, NGT, possible FMI

Coring: None anticipated

DST's: As warranted.

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

Anticipated BHP:

From: 0 TO: 2650' Anticipated Max. BHP: 1150 PSI

From: 2650' TO: 10200' Anticipated Max. BHP: 5200 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: Possible in surface and intermediate holes.

H2S Zones Anticipated: Possible 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

Brannigan ANF Federal #7

2415' FNL and 2119 FEL Surface location

660' FNL & 1980' FWL Bottom Hole Location

Sec. 6-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 31 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 to Highway 137 (Scenick Byeway). Turn west on Highway 137 and go approximately 12 miles. Turn east on lease road and go approximately .4 of a mile to existing well pad for the Brannigan ANF Federal #3. This well location will be modified to accommodate the Brannigan ANF Federal #7 and the #8

2. PLANNED ACCESS ROAD

There will be no new access road. However the existing road will be upgraded for approximately .4 of a mile from the point of origin to the southwest corner of the proposed well location.

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 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 400' x 400' 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.

8/19/2003


Regulatory Agent

**YATES PETROLEUM CORPORATION
BRANNIGAN "ANF" FEDERAL #7
SURFACE: 2415' FNL AND 2119' FEL
BOTTOM HOLE: 660'FNL AND 1980' FWL
Section 6, T19S-R24E
Eddy County, New Mexico**

H2S Drilling Operations Plan

Personnel employed at the rig site shall receive training in H2S detection, safe drilling procedures and contingency plans. H2S safety equipment shall be installed and functional 3 days or 500 feet prior to encountering known or probable H2S zone at 3200' feet.

Submitted with the APD is a well site diagram showing:

- 1) Drilling rig orientation, location of flare pit.
- 2) Prevailing wind direction.
- 3) Location of access road.

Primary briefing area will be established 150' from wellbore and up wind of prevailing wind direction. Secondary briefing area will be established 180 degrees from primary briefing area.

A H2S warning sign will be posted at the entrance of the location. Depending on conditions, a green, yellow, or red flag will be displayed.

Green - Normal conditions

Yellow - Potential danger

Red - Danger H2S present

Wind indicators will be placed on location at strategic, highly visible areas. H2S monitors (a minimum of three) will be positioned on location for best coverage and response. H2S concentrations of 10 ppm will trigger a flashing light and 20 ppm will trigger an audible siren.

H2S breathing equipment will consist of:

- 1) 30 minute "pressure demand" type working unit for each member of rig crew on location.
- 2) 5 minute escape packs for each crew member.
- 3) Trailer with a "cascade air system: to facilitate working in a H2S environment for time period greater than 30 minutes.

BRANNIGAN "ANF" FEDERAL #7

Page 2

Breathing equipment will be stored in weather proof cases or facilities. They will be inspected and maintained weekly.

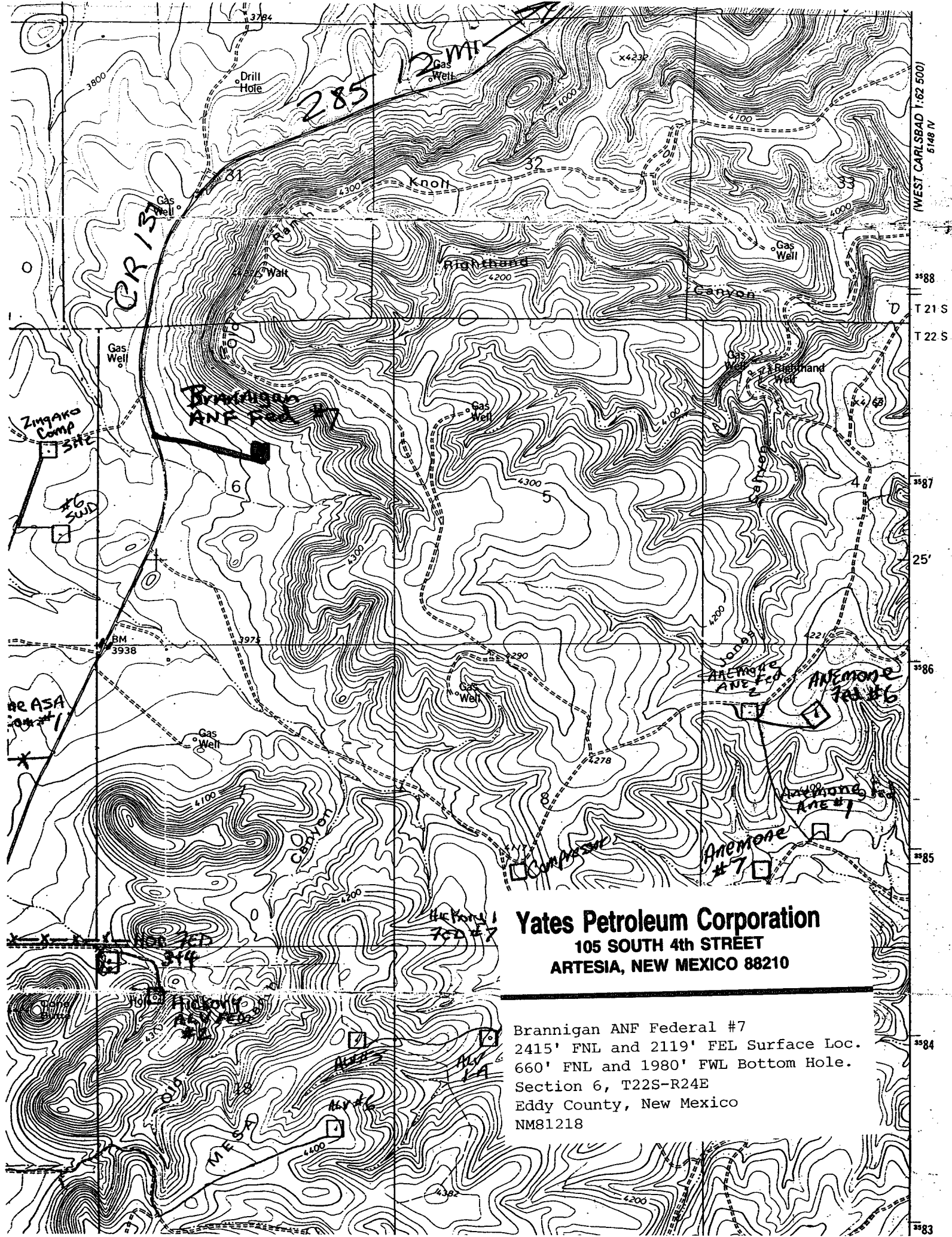
The mud system will be designed to minimize or eliminate the escape of H₂S at the rig floor. This will be accomplished through the use of proper mud weight, proper pH control of the drilling fluid and the use of H₂S scavengers in the drilling fluid. A mud gas separator will be utilized when H₂S is present in the mud.

Drilling experience has shown that wells in developmental areas, (i.e. Dagger Draw, Livingston Ridge Delaware, and Lusk Delaware) are normally pressured and don't experience either H₂S kicks or loss of returns. Due to these circumstances, we request exceptions to the rule requiring flare line with remote lighter and choke manifold with minimum of one remote choke. This equipment would be provided on exploratory wells or wells with the known potential for H₂S kicks. Additionally, a SO₂ monitor would be positioned near the flare line, and a rotating head utilized.

The drill string, casing, tubing, wellhead, blowout preventers and associated lines and valves will be suitable for anticipated H₂S encounters.

Radio and or mobile telephone communication will be available on site. Mobile telephone communication will be available in company vehicles.

Drill stem testing to be performed with a minimum number of essential people on location. They will be those necessary to safely conduct the test. If H₂S is encountered during a drill stem test, essential personnel will mask up and determine H₂S concentration. The recovery will then be reversed to flare pit. Pulling of test tools will be conducted in a safe manner.



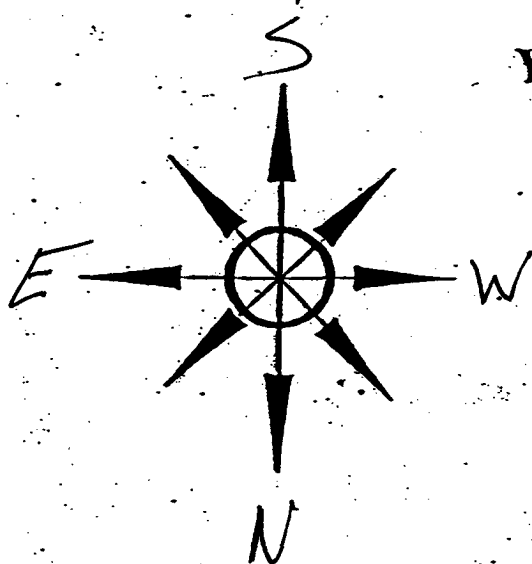
Yates Petroleum Corporation

105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Brannigan ANF Federal #7
2415' FNL and 2119' FEL Surface Loc.
660' FNL and 1980' FWL Bottom Hole.
Section 6, T22S-R24E
Eddy County, New Mexico
NM81218

PB - L1

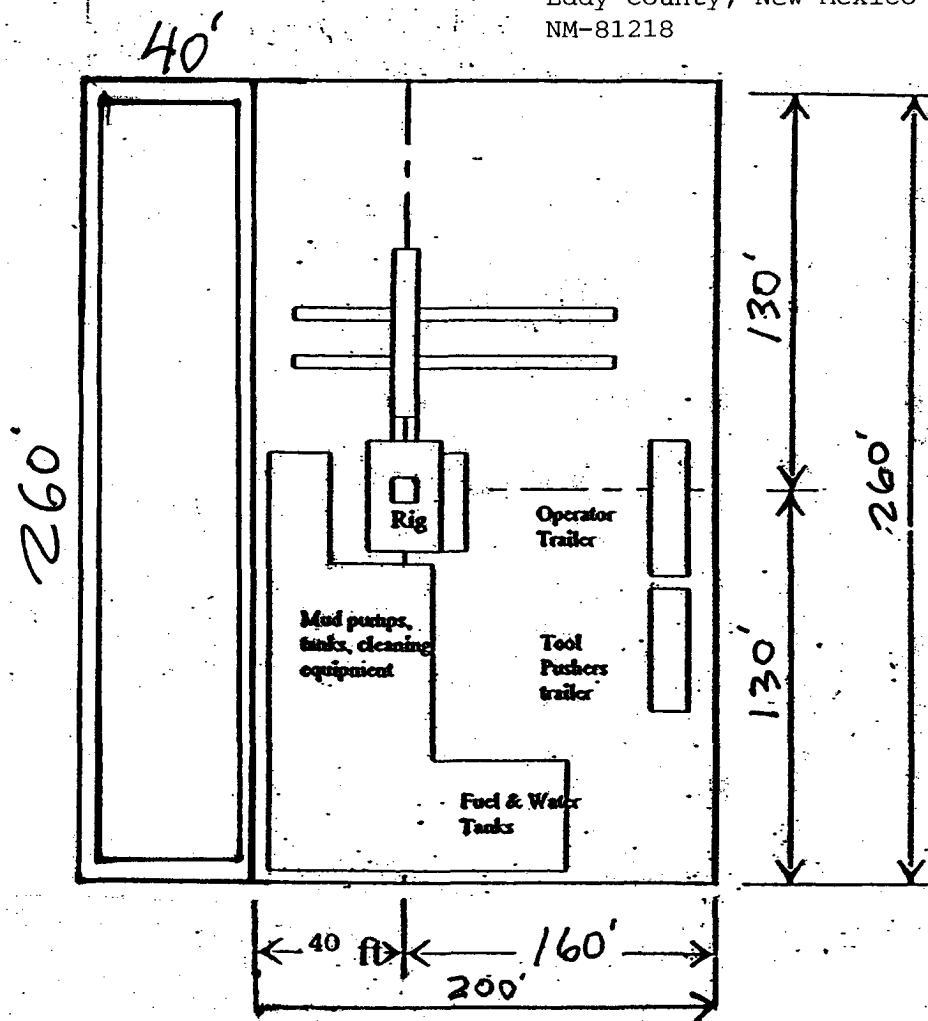
Yates Petroleum Corporation
Location Layout for Permian Basin
Up to 12,000'



PITS EAST

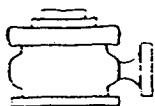
Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

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2415' FNL and 2119' FEL Surface Loc.
660' FNL and 1980' FWL Bottom Hole.
Section 6, T22S-R24E
Eddy County, New Mexico
NM-81218



Distance from Well
Head to Reserve Pit
will vary between rigs

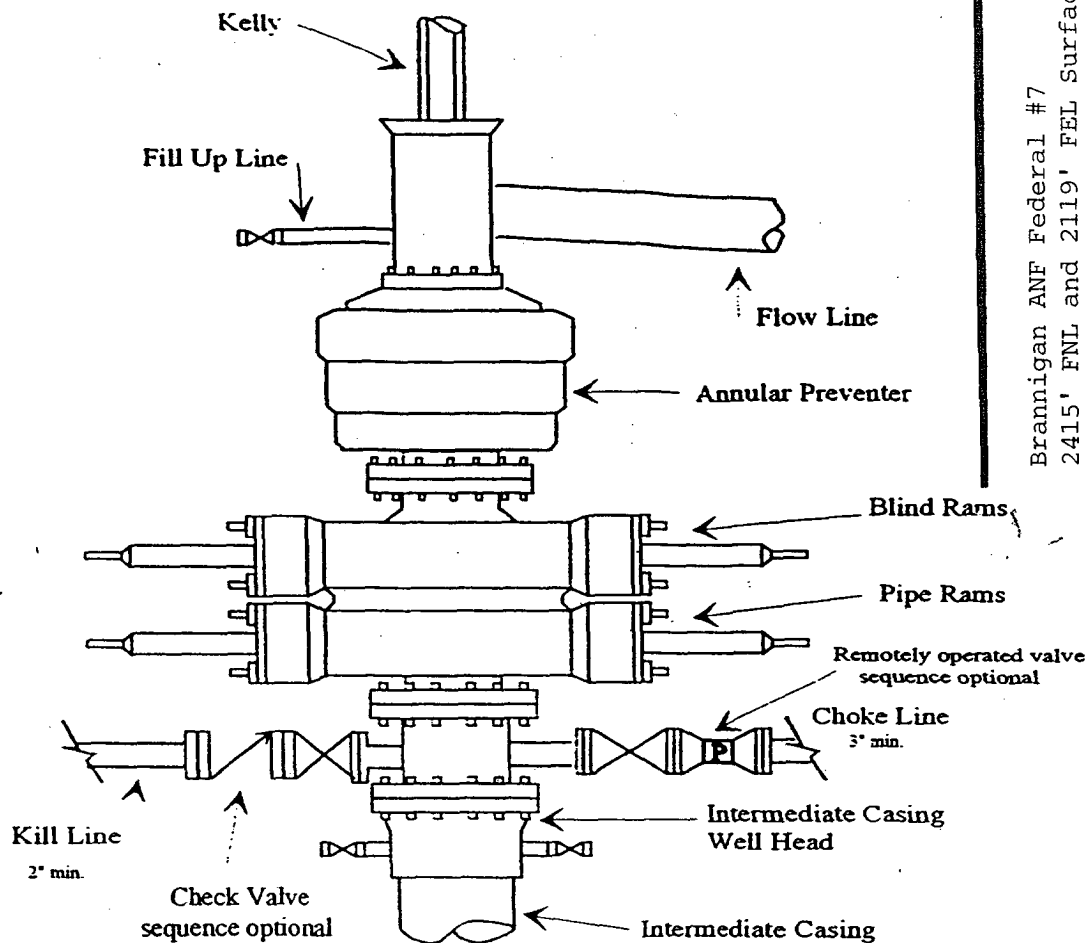
The above dimension
should be a maximum



Yates Petroleum Corporation

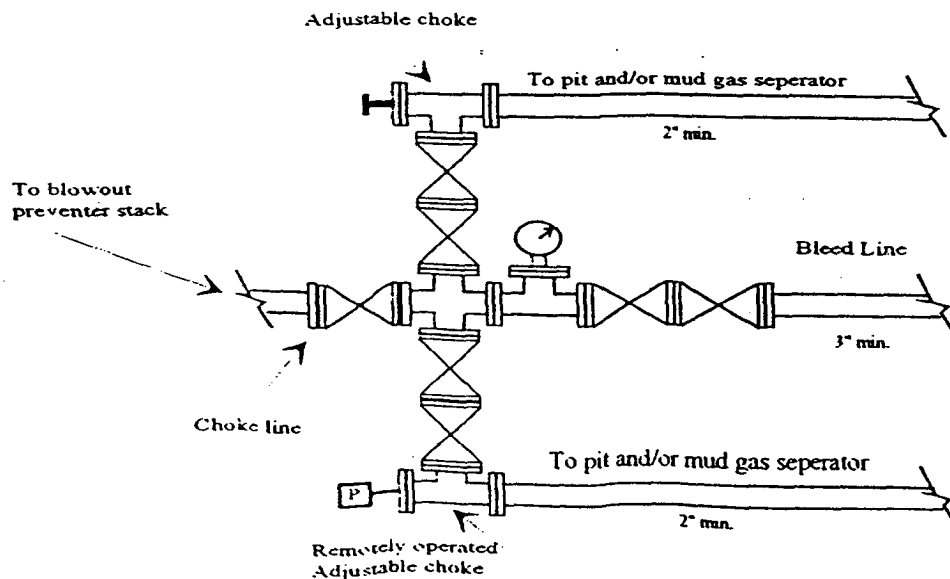
Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

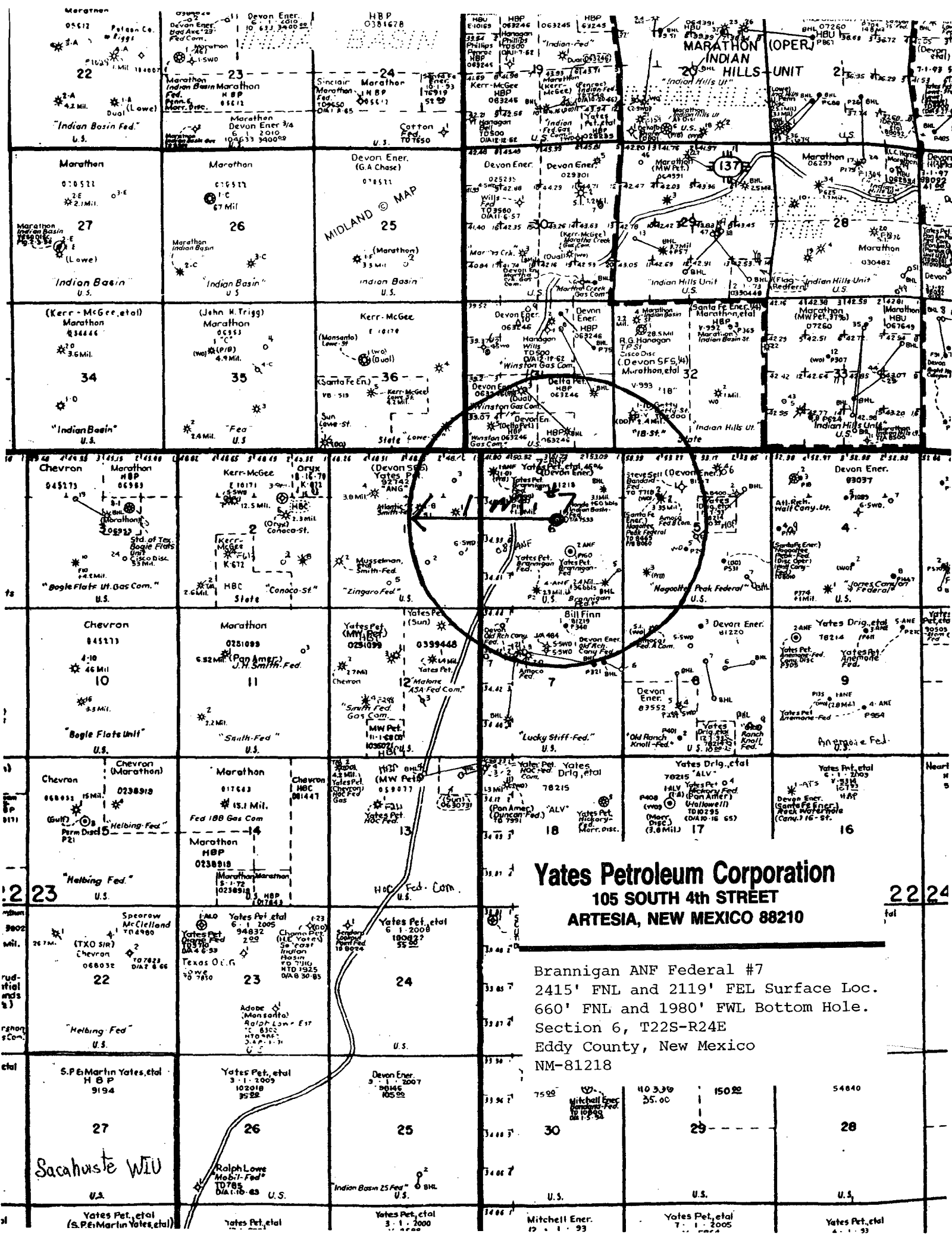
BOP-4



Brannigan ANF Federal #7
2415' FNL and 2119' FEL Surface Loc.
660' FNL and 1980' FWL Bottom Hole.
Section 6, T22S-R24E
Eddy County, New Mexico
NM-81218

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





Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

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2415' FNL and 2119' FEL Surface Loc.
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Section 6, T22S-R24E
Eddy County, New Mexico
NM-81218

75.99	403.39	150.92	548.40
35.00			
30	29	28	
U.S.	U.S.	U.S.	U.S.
Mitchell Ener.	Yates Pet, etal	Yates Pet, etal	Yates Pet, etal
10.1.93	7.1.2005	4.1.93	

PathFinder Energy Services

Proposal Report

Page 1
 Proposal No: 1
 Date: 9/2/2003
 Time: 7:54 am
 Wellpath ID: Brannigan "ANF" Fed. #7
 Last Revision: 9/2/2003

Calculated using the Minimum Curvature Method
 Computed using PDS VER2.2.6
 Vertical Section Plane: 349.14 deg.

Survey Reference: WELLHEAD
 Vertical Section Reference: WELLHEAD
 Closure Reference: WELLHEAD
 TVD Reference: WELLHEAD

Yates Petroleum Corp.
 Brannigan "ANF" Fed. #7
 Brannigan Pad Wells
 Mag. Dec. 9.10° East
 Lat. 32.421389
 Long. -104.535278

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	TVD (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)		Closure Dist. Dir. (ft) (deg.)	DLS (dg/100ft)
TIE IN								
0.00	0.00	0.00	0.00	-9.82	10.00 S	0.00 E	10.00@180.00	0.00
San Andres								
1085.00	0.00	0.00	1085.00	-9.82	10.00 S	0.00 E	10.00@180.00	0.00
Glorieta - 1st Bone Springs								
2568.00	0.00	0.00	2568.00	-9.82	10.00 S	0.00 E	10.00@180.00	0.00
KOP / START OF BUILD @ 3.00 deg/100 ft								
2750.00	0.00	0.00	2750.00	-9.82	10.00 S	0.00 E	10.00@180.00	0.00
2950.00	6.00	324.33	2949.63	-0.32	1.50 S	6.10W	6.28@256.18	3.00
3150.00	12.00	324.33	3147.08	28.06	23.90N	24.34W	34.11@314.49	3.00
3350.00	18.00	324.33	3340.18	75.03	65.94N	54.51W	85.55@320.42	3.00
3550.00	24.00	324.33	3526.81	140.06	124.14N	96.28W	157.10@322.20	3.00
END OF BUILD								
3681.49	27.94	324.33	3645.00	192.31	170.91N	129.85W	214.64@322.77	3.00
3881.49	27.94	324.33	3821.68	277.39	247.05N	184.51W	308.34@323.25	0.00
4081.49	27.94	324.33	3998.36	362.46	323.19N	239.16W	402.05@323.50	0.00
2nd BS Sand								
4173.91	27.94	324.33	4080.00	401.77	358.37N	264.41W	445.36@323.58	0.00
4281.49	27.94	324.33	4175.04	447.53	399.33N	293.81W	495.77@323.66	0.00
4481.49	27.94	324.33	4351.72	532.61	475.47N	348.46W	589.49@323.76	0.00
4681.49	27.94	324.33	4528.40	617.68	551.61N	403.11W	683.21@323.84	0.00
4881.49	27.94	324.33	4705.08	702.75	627.75N	457.77W	776.93@323.90	0.00
5081.49	27.94	324.33	4881.76	787.83	703.89N	512.42W	870.65@323.95	0.00
5281.49	27.94	324.33	5058.44	872.90	780.03N	567.07W	964.37@323.98	0.00
5481.49	27.94	324.33	5235.12	957.97	856.17N	621.72W	1058.10@324.01	0.00
5681.49	27.94	324.33	5411.80	1043.05	932.31N	676.38W	1151.82@324.04	0.00
5881.49	27.94	324.33	5588.48	1128.12	1008.45N	731.03W	1245.54@324.06	0.00
6081.49	27.94	324.33	5765.16	1213.19	1084.59N	785.68W	1339.26@324.08	0.00
6281.49	27.94	324.33	5941.84	1298.27	1160.73N	840.33W	1432.95@324.10	0.00
6481.49	27.94	324.33	6118.52	1383.34	1236.87N	894.98W	1526.71@324.11	0.00

PathFinder Energy Services

Page 2

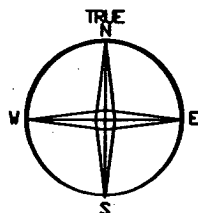
Date: 9/2/2003

Proposal Report

Wellpath ID: Brannigan "ANF" Fed. #7

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	TVD (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)		Closure Dist. Dir. (ft) (deg.)		DLS (dg/100ft)
6681.49	27.94	324.33	6295.20	1468.41	1313.01N	949.64W	1620.43@324.12		0.00
6881.49	27.94	324.33	6471.88	1553.49	1389.15N	1004.29W	1714.16@324.13		0.00
7081.49	27.94	324.33	6648.56	1638.56	1465.29N	1058.94W	1807.85@324.14		0.00
START OF CURVE @ 3.00 deg/100 ft									
7235.95	27.94	324.33	6785.01	1704.26	1524.09N	1101.15W	1880.26@324.15		0.00
3rd BS Sand									
7369.41	23.94	324.33	6905.00	1757.25	1571.51N	1135.19W	1938.64@324.16		3.00
7435.95	21.94	324.33	6966.27	1780.79	1592.58N	1150.31W	1964.57@324.16		3.00
Wolfcamp									
7561.31	18.18	324.33	7084.00	1819.82	1627.52N	1175.38W	2007.57@324.16		3.00
7635.95	15.94	324.33	7155.35	1839.70	1645.31N	1188.15W	2029.47@324.17		3.00
7835.95	9.94	324.33	7350.17	1880.35	1681.69N	1214.27W	2074.25@324.17		3.00
8035.95	3.94	324.33	7548.62	1902.29	1701.32N	1228.36W	2098.42@324.17		3.00
Brannigan #7 target top									
8167.43	0.00	0.00	7680.00	1906.40	1705.00N	1231.00W	2102.95@324.17		3.00
Cisco Canyon Dolo.									
8267.43	0.00	0.00	7780.00	1906.40	1705.00N	1231.00W	2102.95@324.17		0.00
Lower Canyon Lime									
8774.43	0.00	0.00	8287.00	1906.40	1705.00N	1231.00W	2102.95@324.17		0.00
Strawn									
9479.43	0.00	0.00	8992.00	1906.40	1705.00N	1231.00W	2102.95@324.17		0.00
Atoka									
9865.43	0.00	0.00	9378.00	1906.40	1705.00N	1231.00W	2102.95@324.17		0.00
Morrow									
10257.43	0.00	0.00	9770.00	1906.40	1705.00N	1231.00W	2102.95@324.17		0.00
Proposed TD									
10687.43	0.00	0.00	10200.00	1906.40	1705.00N	1231.00W	2102.95@324.17		0.00

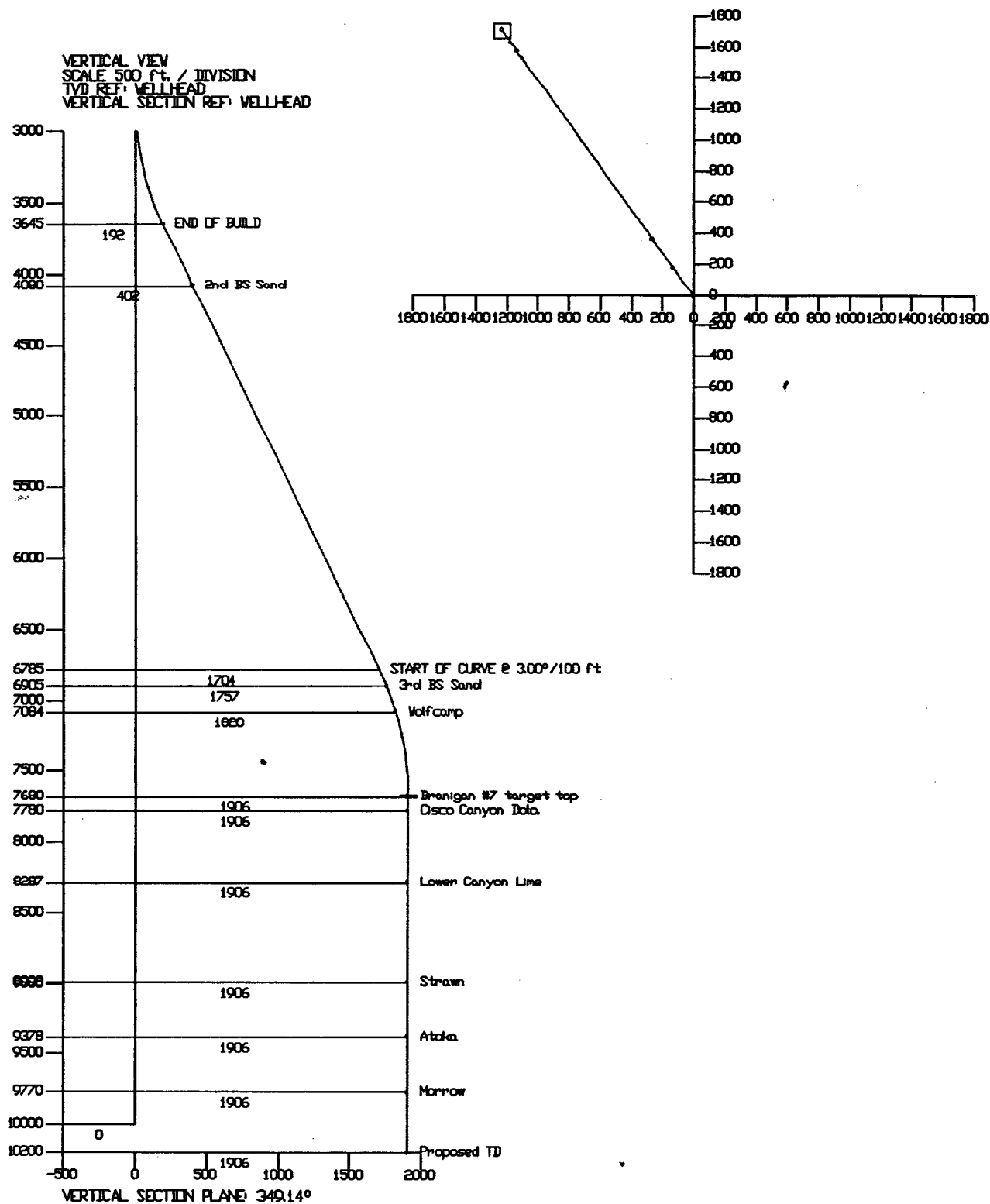
Yates Petroleum Corp.
 Branigan "ANF" Fed. #7
 Branigan Pad Wells
 Mag. Dec. 9.10 East
 Lat. 32.421389
 Long. -104.535278



9/2/2003 7:53 am

HORIZONTAL VIEW
 SCALE 200 ft. / DIVISION
 SURVEY REF: WELLHEAD

VERTICAL VIEW
 SCALE 500 ft. / DIVISION
 TVD REF: WELLHEAD
 VERTICAL SECTION REF: WELLHEAD



Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

For

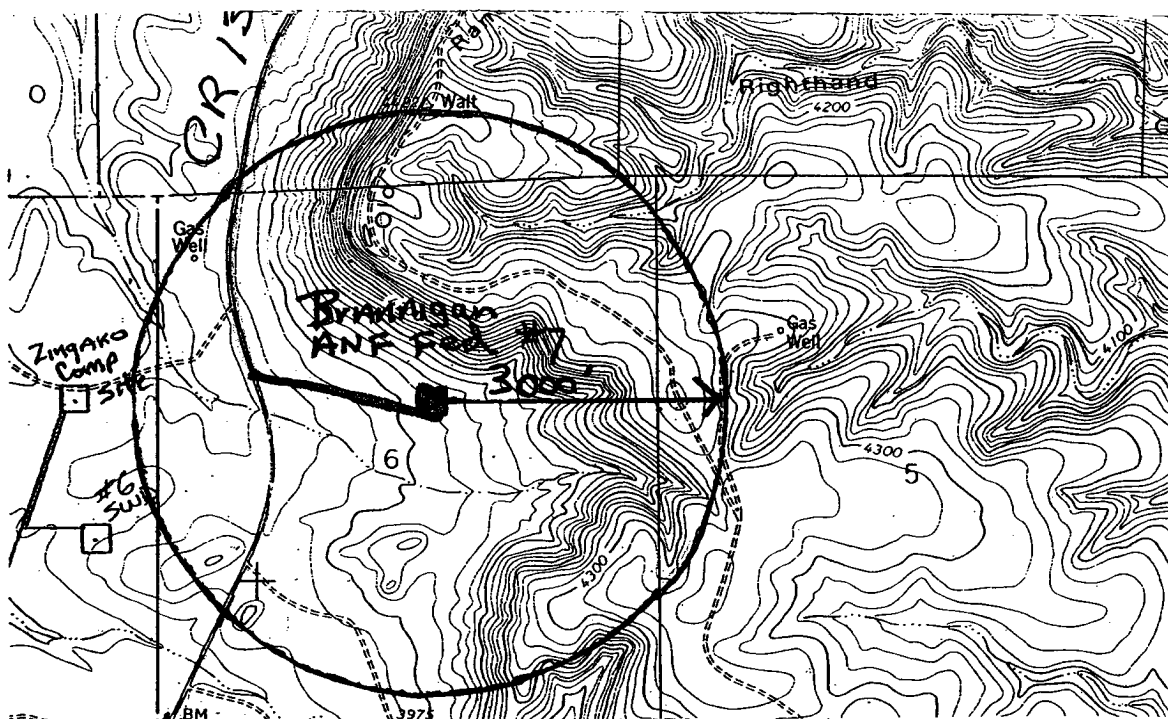
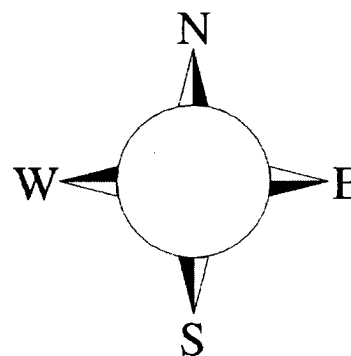
Brannigan ANF Federal #7

**2415' FNL and 2119' FEL Surface Location
660' FNL and 1980' FWL Bottom Hole Location
Section-6, T-22S, R-24E
Eddy County NM**



Brannigan ANF Federal #7 Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Yates Petroleum Corporation Phone Numbers

YPC Office	(505) 748-1471
Pinson McWhorter/Operations Manager	(505) 748-4189
Darrel Atkins/Production Manager	(505) 748-4204
Ron Beasley/Prod Superintendent	(505) 748-4210
Al Springer/Drilling	(505) 748-4225
Paul Hanes/Prod. Foreman/Roswell	(505) 624-2805
Jim Krogman/Drilling Superintendent.....	(505) 748-4215
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
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

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 various 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.