

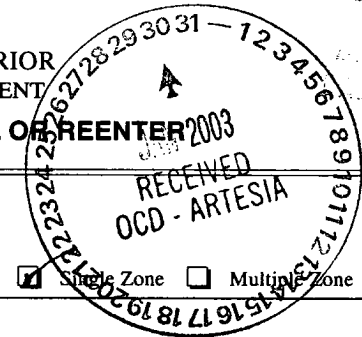
A-43

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

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER



RECEIVED  
FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No. **NM-108453**

6. If Indian, Allottee, or Tribe Name

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

8. Lease Name and Well No. **Bellagio 33 Federal #1**

9. API Well No. **30-015-32611**

10. Field and Pool, or Exploratory **Cemetery; Morrow (Gas)**

11. Sec., T., R., M., or Blk. and Survey or Area **Sec. 33-T20S-R25E**

12. County or Parish **Eddy**

13. State **NM**

14. Distance in miles and direction from nearest town or post office\* **18 miles northwest of Carlsbad, NM.**

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 **320**

17. Spacing Unit dedicated to this well **North half**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **0'**

19. Proposed Depth **10,500'**

20. BLM/BIA Bond No. on file **#1641**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **3597' GL**

22. Approximate date work will start\* **November 15, 2002**

23. Estimated duration **35 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 officer.

25. Signature *Bill Pierce* Name (Printed/Typed) **Bill Pierce** Date **10/22/02**

Title **Engineer**

Approved by (Signature) *Joe G. Lara* Name (Printed/Typed) **JOE G. LARA** Date **JAN 29 2003**

Title **FIELD MANAGER** Office **CARLSBAD FIELD OFFICE**

Application approval does not warrant or certify the 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**

RECEIVED  
OCT 29 2002  
BUREAU OF LAND MANAGEMENT  
ARTESIA, NM

DISTRICT I  
P.O. Box 1680, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

|                               |  |  |  |                           |  |
|-------------------------------|--|--|--|---------------------------|--|
| API Number                    |  | Pool Code  |  | Pool Name                 |  |
| Property Code<br><b>319 8</b> |  | Property Name<br><b>BELLAGIO 33 FED</b>                  |  | Well Number<br><b>1</b>   |  |
| OGRID No.<br><b>25575</b>     |  | Operator Name<br><b>PIERCE PRODUCTION COMPANY, Yates</b> |  | Elevation<br><b>3597'</b> |  |

Surface Location

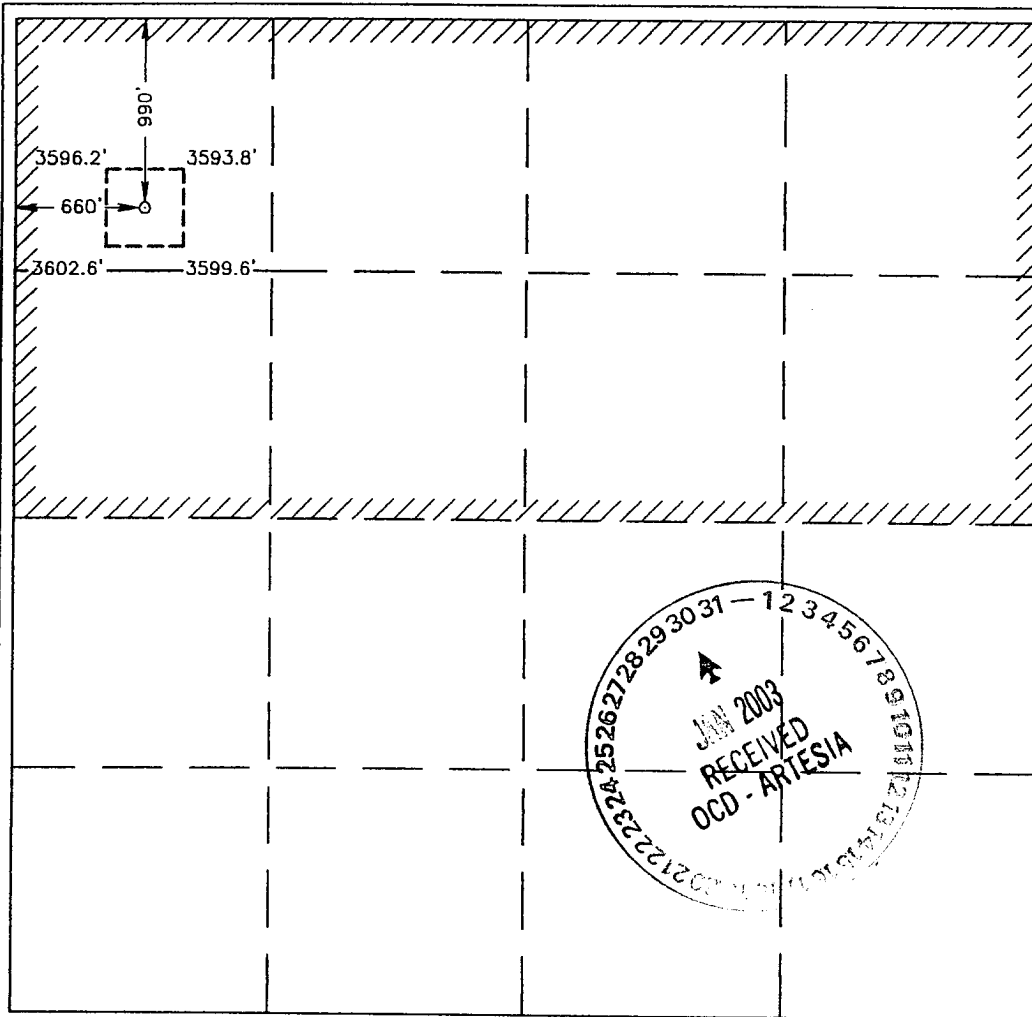
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 33      | 20-S     | 25-E  |         | 990           | NORTH            | 660           | WEST           | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

| 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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Bill Pierce*  
Signature

Bill Pierce  
Printed Name

Engineer  
Title

October 24, 2002  
Date

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.

JUNE 10, 2002

Date Surveyed \_\_\_\_\_ AWB

Signature & Seal of Professional Surveyor

*Ronald E. Bidson*  
02-110425

Certificate No. RONALD E. BIDSON 3239  
GARY BIDSON 12641



DISTRICT I  
P.O. Box 1880, Hobbs, NM 88241-1880

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

|               |  |                    |
|---------------|--|--------------------|
| API Number    | Pool Code                                    | Pool Name          |
| Property Code | Property Name<br>BELLAGIO 33 FED             | Well Number<br>1   |
| OGRID No.     | Operator Name<br>YATES PETROLEUM CORPORATION | Elevation<br>3597' |

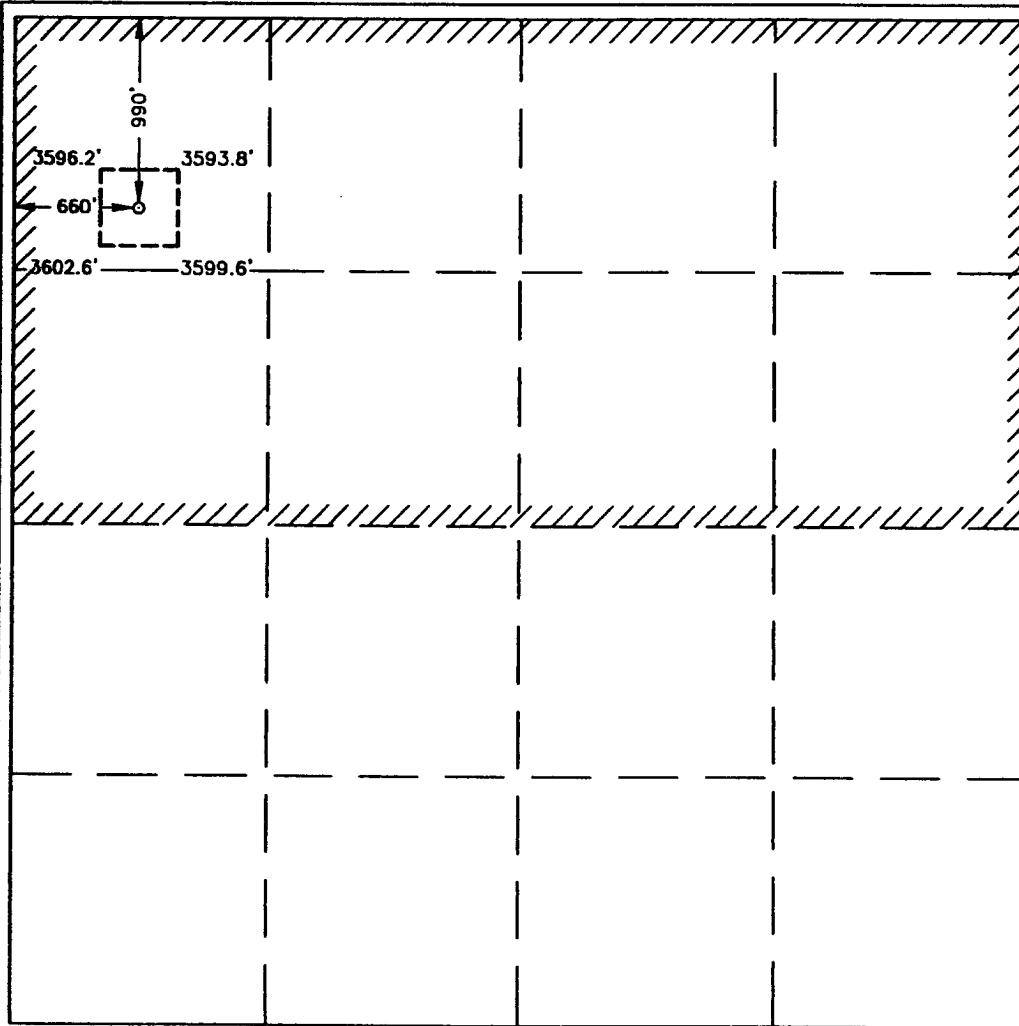
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 33      | 20-S     | 25-E  |         | 990           | NORTH            | 660           | WEST           | 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 |                        |                 |                    |           |
|---|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|------------------------|-----------------|--------------------|-----------|
| <table border="1"> <tr> <td>Dedicated Acres<br/>320</td> <td>Joint or Infill</td> <td>Consolidation Code</td> <td>Order No.</td> </tr> </table> |                 |                    |           |         |               |                  |               |                |        | Dedicated Acres<br>320 | Joint or Infill | Consolidation Code | Order No. |
| Dedicated Acres<br>320  | Joint or Infill | Consolidation Code | Order No. |         |               |                  |               |                |        |                        |                 |                    |           |

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



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Cy Cowan*  
Signature

Cy Cowan  
Printed Name

Regulatory Agent  
Title

1/27/03  
Date

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**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.

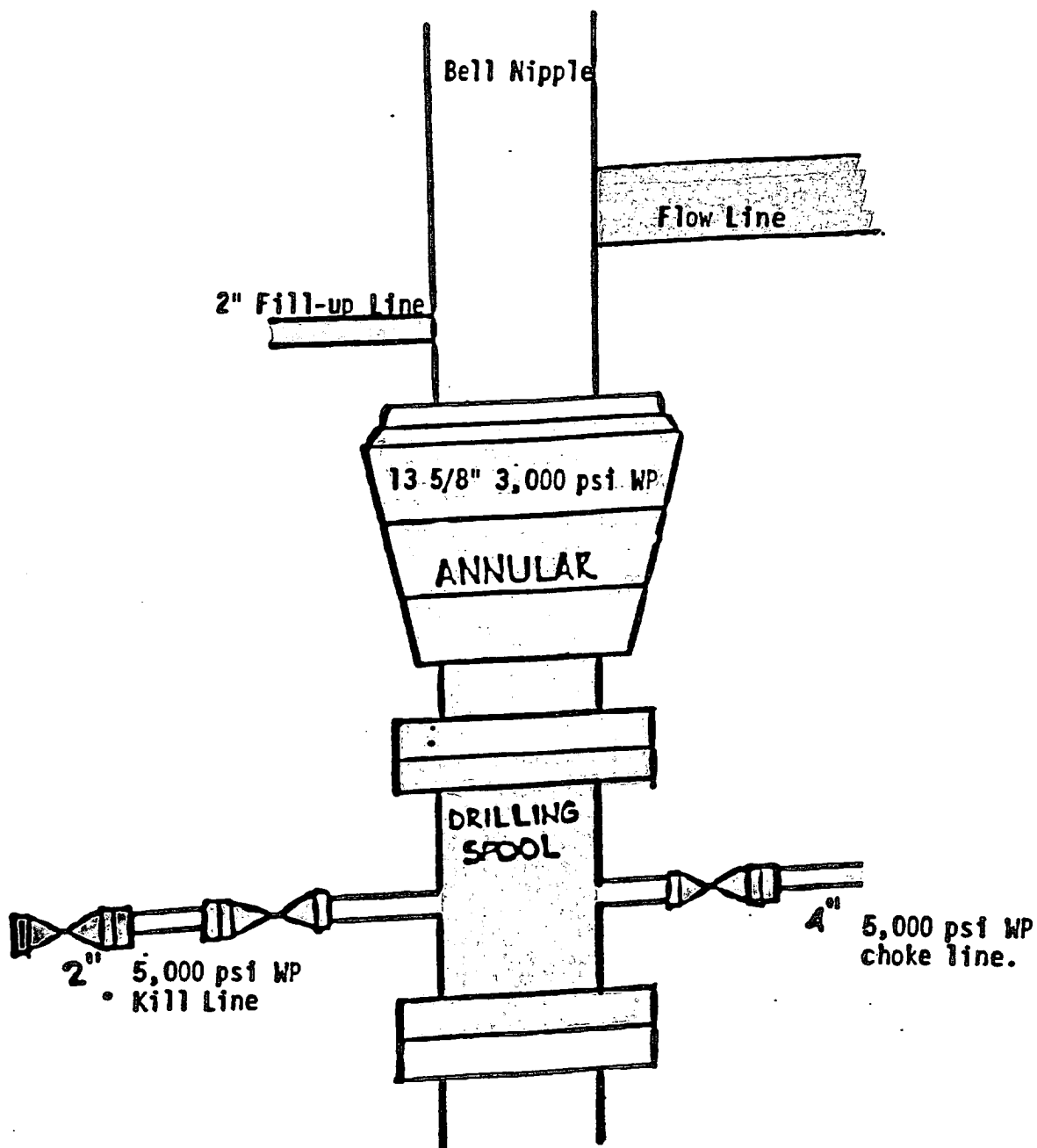
JUNE 10, 2002  
Date Surveyed

AWB  
Signature & Seal of Professional Surveyor

*Ronald J. Eidson* 6/14/02  
02.11.0426

Certificate No. RONALD J. EIDSON 3239  
GARY EIDSON 12641

BOP SCHEMATIC  
12 1/4" Intermediate Hole

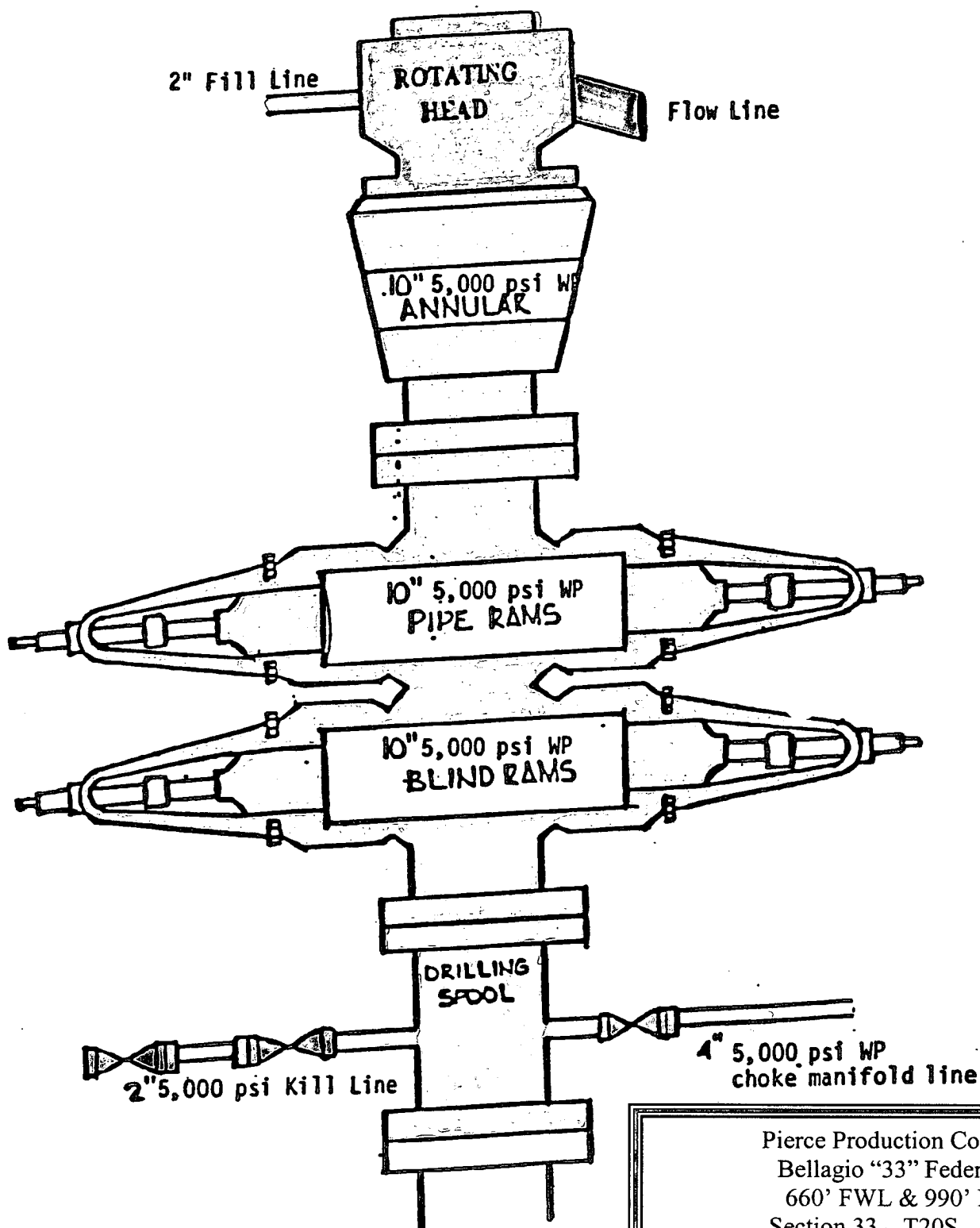


Pierce Production Company  
Bellagio "33" Federal #1  
660' FWL & 990' FNL  
Section 33 - T20S - R25E  
Eddy County, New Mexico  
NM-108453

**EXHIBIT "A" - 3,000# WP Annular**

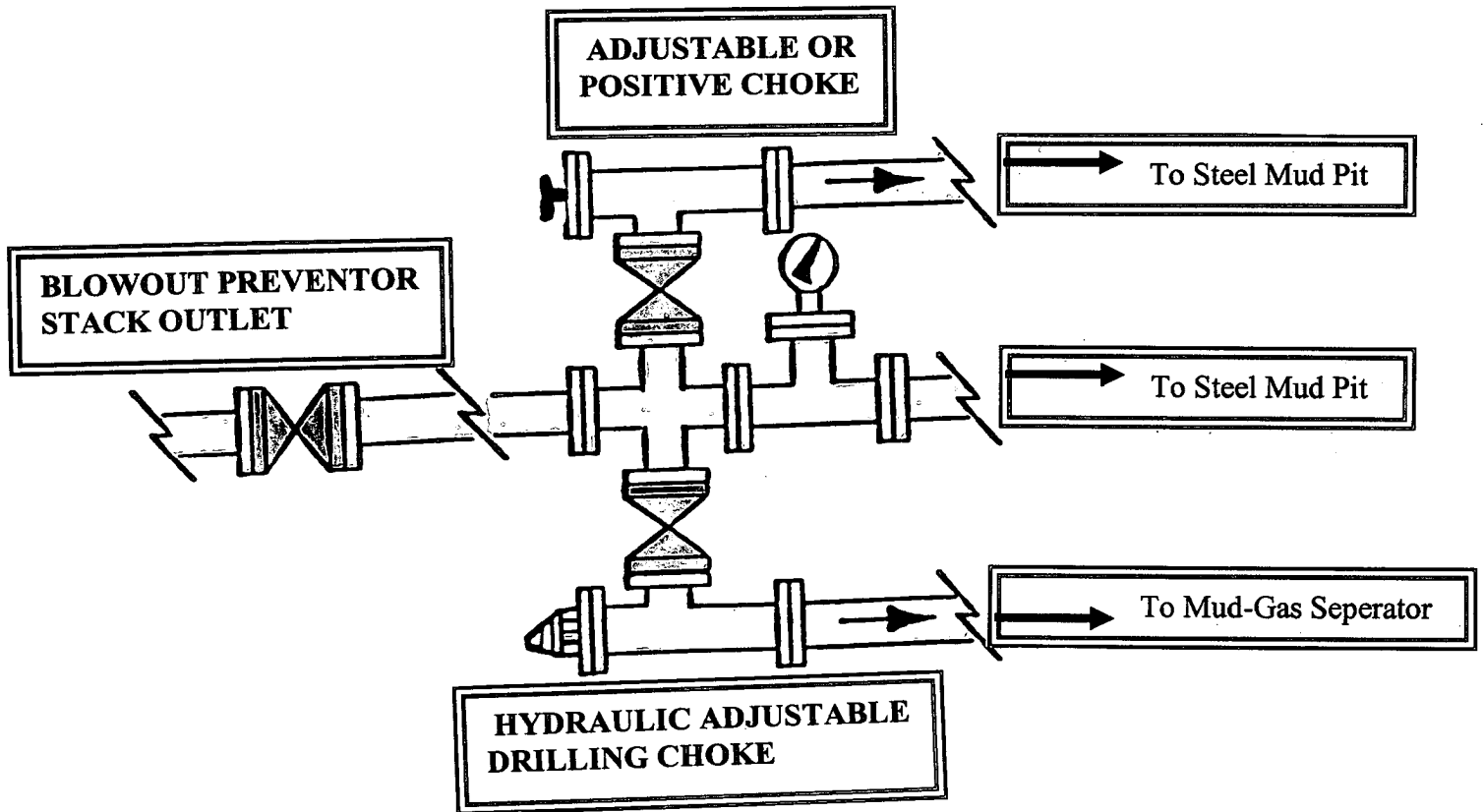
BOP SCHEMATIC

8 3/4" Production Hole



Pierce Production Company  
Bellagio "33" Federal #1  
660' FWL & 990' FNL  
Section 33 - T20S - R25E  
Eddy County, New Mexico  
NM-108453

EXHIBIT "B" - 5,000# WP BOP Stack



Pierce Production Company  
 Bellagio "33" Federal #1  
 660' FWL & 990' FNL  
 Section 33 - T20S - R25E  
 Eddy County, New Mexico  
 NM-108453

**EXHIBIT "C" - 5,000# WP Choke Manifold**