N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

Artesia, NM 88210

Form 3160-3 (August 1999)

UNITED STATES

OMB No. 1004-0136 Expires November 30, 2000

DEPARTMENT OF THE	INTERIOR	HEC	FIVED	5. Lease Serial No.		
BUREAU OF LAND MANA				NM921	155	
ADDITION FOR DEDMIT TO F	ADILL OD DEE	NTED JUN '	0 9 2005	6. If Indian, Allottee or T	ribe Name	
APPLICATION FOR PERMIT TO E	KILL OK KEE	"OCD-	MICHAE	Not Appli	icable	
	EENTER			7. If Unit or CA Agreeme	ent, Name and No.	
	DIVIER.			Not Appl	icable	
		_		8. Lease Name and Well	No.	
b. Type of Well: Oil Well Gas Other Well	_	ingle 🔲	Multiple Zone	Luminary BAU Federal Com. #1		
2. Name of Operator				9. API Well No.		
Yates Petroleum Corporation				30-005-60	627	
3A. Address 105 South Fourth Street	3b. Phone No. (in	clude area code	e)	10. Field and Pool, or Exp		
Artesia, New Mexico 88210	(50)5) 748-147	'1	Wildcat Ordovician - Deusa ice		
4. Location of Well (Report location clearly and in accordance with an	ıy State requirement	s. *)		11. Sec., T., R., M., or Bl		
At surface NWNW 660' FNL a	nd 660' FWL, I	Jnit D				
At proposed prod. Zone same	as above			Section 35, T11S-R	26E	
14. Distance in miles and direction from nearest town or post office*				12. County or Parish	13. State	
				Chaves County	NM	
15. Distance from proposed* location to nearest property or lease line, ft.	16. No. of Acres	in lease	17. Spacing U	nit dedicated to this well		
(Also to nearest drig. unit line, if any)		1240		320 - W/2		
 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 	19. Proposed Dep 6110'		20. BLM/BIA	BLM/BIA Bond No. on file NM-2811		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate	date work will	start*	23. Estimated duration		
3606' GL						
	24. Attachr	nents				
The following, completed in accordance with the requirements of Onsho	ore Oil and Gas Orde	r No. 1, shall be	e attached to this	form:		
Well plat certified by a registered surveyor.	4.]	Bond to cove	r the operations	s unless covered by an existing	ng bond on file (see	
2. A Drilling Plan.		Item 20 abov	re).	•	•	
3. A Surface Use Plan (if the location is on National Forest System Lan	ds, the 5.	Operator certi	ification.			
SUPO shall be filed with the appropriate Forest Service Office.	6.				required by the	
		authorized of			,	
25. Signature	Name (P	rinted/Typed)		Date		
Coll II.	Robert	· -		1	4/12/05	
Title:						
Regulatory Agent/Land Department						
Approved by (Signature) /S/LARRY D. BRAY	Name (P)	ringed/Auperta v	D. BRAY	Date	UN 0 7 200	
Title Assistant Field Manager,	Office	DOGWELL				
Lands And Minerals	i 1	KOSWELL	FIELD OFFI	CE		
Application approval does not warrant or certify that the applicant holds	legal or equitable ti	tle to those righ	ts in the subject	lease which would entitle the	applicant to conduct	
operations thereon.						
Conditions of approval, if any, are attached.						
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it	a crime for any perso	on knowingly ar	nd willfully to ma	ake to any department or age	ncy of the United	

*(Instructions on reverse)

Previously Approved

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

C144 Attached SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

APPROVED FOR 1 YEAR

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 WF

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	d by a "general plan"? Yes 🗹 CheckBox	1
Type of action: Registration of a pit or b		
Operator: Yates Petroleum Corporation Telephon Address: 104 South 4 th Street, Artesia, New Mexico 88210 Facility or well name: Luminary BAU Federal Com. #1 API #: 30 - 00 County: Chaves Latitude Longitude		IS R 26E
Pit Type: Drilling Production Disposal Workover Emergency Lined Unlined Liner type: Synthetic Thickness 12 mil Clay Volume	Below-grade tank Volume:bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes	_
Depth to ground water (vertical distance from bottom of pit to seasonal high vater elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points) RECEIVED
Veilhead protection area: (Less than 200 feet from a private domestic rater source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) NOV 0 1 2004 (0 points) COP-ARTERIA
vistance to surface water: (horizontal distance to all wetlands, playas, rigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)
	Ranking Score (Total Points)	20
I this is a pit closure: (1) attach a diagram of the facility showing the pit's msite of offsite I foffsite, name of facility late. (4) Groundwater encountered: No Yes I fyes, show depth belowing the pit's msite for the facility for the pit's msite for the pit's msi	(3) Attach a general description of remedial a	ction taken including remediation start date and end
inted Name/Title Robert Asher/Regulatory Agent sur certification and NMOCD approval of this application/closure does not netwise endanger public health or the environment. Nor does it relieve the quiations.	general permit 2, or an (attached) liternative of Signature	OCD-approved plan
As a condition of approval, if during construction water is encountered or if water seeps in pits after construction the OCD MUST BE CONTACTED IMMEDIATELY!	As a condition of a detailed closure must be filed be closure may con	re plan fore

District I

1625 N. French Dr., Hobbs, NM 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

District II

811 South First, Artesia, NM 88210

District III

320 W/2

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

1220 S. St. Francis Dr., Santa Fe, NM 87505

					³ Pool Name				
			9600	6 l		Wildcat Ord	ovician		
le				⁵ Property Name				Well Number	
			LUM	INARY BAU FI	EDERAL COM.			1	
				⁸ Operator l	Name			⁹ Elevation	
ļ			Yate	es Petroleum Corporation 3605.			3605.6'		
				¹⁰ Surface	Location				
Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County	
35	115	26E		660	North	660	West	Chaves	
		¹¹ B	ottom Ho	ole Location I	f Different From	n Surface			
Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
-	Section 35	Section Township 35 118	Section Township Range 35 11S 26E	Company Company Control Cont	LUMINARY BAU F Coperator Yates Petroleum	LUMINARY BAU FEDERAL COM. Operator Name Yates Petroleum Corporation Surface Location Fection Township Range Lot Idn Feet from the North/South line 35 11S 26E 660 North 11 Bottom Hole Location If Different From	LUMINARY BAU FEDERAL COM. Operator Name Yates Petroleum Corporation Surface Location Feet from the North/South line Feet from the 35 11S 26E 660 North 660 Bottom Hole Location If Different From Surface	LUMINARY BAU FEDERAL COM. **Operator Name Yates Petroleum Corporation **Description** **Surface Location** **Peet from the Rest/West line** **Surface Location** **Surface	

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					
,099	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is				
Ø	true and complete to the best of my knowledge and				
660,	ColCl. Signature				
	Robert Asher Printed Name				
NM-92155	Regulatory Agent				
	Title				
	04/12/2005				
	Date				
	18 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. REFER TO ORIGINAL PLAT Date of Survey				
US - NSO	Signature and Seal of Professional Surveyor: Cartificate Number				

MEXICO OIL CONSERVATION COMMINE DELLA LOCATION AND ACREAGE DEDICATION PLA

Supervieus C-19 Effective 14-65

All distances must be from the outer boundaries of the Section Operator Sundance Oil Company Federal 35 'out Lafter South Actual Footage Location of Well: 660 660 feet from the North line and West feet from the Ground Level Elev. Producing Formation Destinated Authore: 3605.6 Montoya 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). DEC 17 1979 3. If more than one lease of different ownership is dedicated to the well, have the interests of all proper been consolidated by communitization, unitization, force-pooling electrical RECENTERS.

Yes No If answer is "yes," type of consolidation No allowable will be assigned to the well until all interests have been consolidated in the serious distribution. forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, have en approved by the Commisaion. CERTIFICATION I hereby certify that the information con-Consultant Sundance Oil Company December 4th, 1979 on this plat was platted from field Date Surveyed November 24. androt: and Surveyor John W. West 676

1320 1660

2310

2000 -

1 500

YATES PETROLEUM CORPORATION

Luminary BAU Federal Com. #1 Re-entry 660' FNL & 660' FWL Section 35-T11S-R26E Chaves County, New Mexico Lease #NM-92155

Originally Sundance Oil Company – Johnston Federal #1 D&A 1/27/1980

Yates' plan is to re-enter the well with a pulling unit and a reverse unit to drill out cement plugs in the 8 5/8" casing and the 7 7/8" open hole & clean out down to the old TD @ 6,110'. Mud to be used is 9.2-9.5 ppg brine water, 55-70 vis. After circulating the hole clean a string of $5\frac{1}{2}$ " casing will be run to 6,110' and cemented with enough cement to bring the top of cement to 3,500'+/-.

The well will be completed with a pulling unit. Possible formations to be completed will be the Ordovician @ 5,950'+/- or the Wolfcamp @ 5,300'+/-.

•		man A . A . H		
	ARY BALL E		Wildear	
WELLNAME: Johns		1 (Sudance) FIEL		
LOCATION: 660'			E Chaves County	····
GL: 3606 ZERO:		KB: <u>3\1\6'</u> _	CASING PROCEAN	<u>. </u>
SPUD DATE: _/2-3/-7		TION DATE: 1-27-80	CASING PROGRAM SIZEMT/GR/CONN	DEPTH SET
COMMENTS:	D/A		SIZEWINGRICONN	DEFINSE
			13/18" 48# H-40 STIC	295
			8-8 N* 5-53, SIJC	//03
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17'5" ()				
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7/		1.7		
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12'4'		(
		1.)		
<i>(</i> \.)		11		
) [1 35 5x 1153-1053	,	
		85/8" @ 1103' W/300 5x (El	ne) before	-
		<i>'</i>	,	
j)			
\)		
-7/11/		35 5x 2174- 2074'	Tops: Queen 325	•
7/5" hole) (Penrose 413'	
1	\ /		San Andres 845'	,
1	/	•	aloijeta 2031	,
'	\ ')	Yeso 2124'	
,	<i>)</i> (\	Tubb 3544'	
(\)	Abo 4306'	
		35 5× 4356- 4256'	Noticemp 5134	
Ç	The state of the s	7256 T236 7256	Cisco 5630'	
1	<u>/</u>	١	Hontoya 5882' HPZ 5938	
`)~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~) 35 5× 5033 - 4933′	Hlenbungs 5989	
()	viicomalet 2191	
•	(
.i		55 5x 5988 - 5807'		
,			DATE: 1-2	L-N OK
	TO 610'	- SKETCH NOT TO SCAL	E- DATE:	<u> </u>

LUMINARY BAU FE RAL COM #		
WELLNAME: Johnston Joderal FIELD	: Wildcar	
LOCATION: 660' FN + 660' FN D 35-115-26	E Chaves County	
GL: 3606' ZERO:AGL: KB: 36/6'		
SPUD DATE: COMPLETION DATE:	CASING PROGRAM	
COMMENTS:	SIZE/WT/GR/CONN	DEPTH SET
	131/8" 48# H-40 STJC	400/
	85/8° 214 5-55 8746	295' 1103'
5.1.1 1 1.1.2	51/2", 15.50 #HL, J-55 STX	610'
C131 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
1737		
" E14 KK		
(3)		
1 13 34° 0 295' 1 1 14 325 50	•	
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7/6 hole)		
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SKETCH NOT TO SCALE	DATE: _/-20-1	1 00

-SKETCH NOT TO SCALE -

YATES PETROLEUM CORPORATION **Luminary BAU Federal Com. #1 Re-entry**

660' FNL and 660' FWL Section 35-T11S-R26E Chaves County, New Mexico

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

Queen	405'	Spear Zone	5350'
San Andres	930'	Cisco	5550'
Glorieta	2065'	Strawn	5780'
Yeso	2225'	Siluro-Ordovician	5830'
Tubb	3650'	Pre-Cambrian	6105'
Abo	4415'	TD	6255'
Wolfcamp	5180'		

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

Water:

150'-200'

Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 2000 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:

- Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and Α. 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:
 - Α. Casing Program: (All New)

Casing Pro	existins				
Hole Size	Casing Size 8 5/8"	Wt./Ft 24#	<u>Grade</u> J-55	Coupling ST&C	Interval * 0-1900 1103
7 7/8"	5 ½"	15.5#	J-55	ST&C	0-6255'

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

2. Yates Petroleum Corporation requests that a variance be granted in requiring the pasing and BOPE to be tested to 2000 PSI to testing the casing and BOPE to 1000/PSI. The rig pumps will be used to test the casing and BOPE. Rig pumps used in this area cannot safely test above/1000 PSI. We would have to go to the greater expense of hiring an independent service to do the testing. Also, the maximum shut-in bottom hole formation pressure is 2200 PSI. Pressure at the surface is less than 1000 PSI. We feel that a 1000psi test will demonstrate that the BOPE is functioning properly and in the unlikely event of a gas in flux that the BOPE would be sufficient to control the well.

Luminary BAU Federal Com. #1 Re-entry Page 2

B. CEMENTING PROGRAM:

Surface Casing: 450 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C" + 2% CaCL2 (YLD 1.33 WT 15.6).

Production Casing: 600 sx Pecos Valley Lite (YLD 1.34 WT 13.0). TOC 3700'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0-1000'	FW GEL, Paper, LCM	8.4 - 8.6	32-36	N/C
1000'-4350'	Brine	9.8 - 10.0	28	N/C
4350'-6255'	Starch/Salt Gel	10.0 -10.2	45-50	<6/cc

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 out from under surface casing.

Logging: CNL/LDT, W/NGT TD-Surf csg; with CNL/GR up to Surf; DLL/MSFL

TD-Surf csg: BHC Sonic TD-SURF CSG, FMI TD - Top of the Wolfcamp

Coring: Sidewall DST's: None.

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

Anticipated BHP:

From: 0 TO: 1000' Anticipated Max. BHP: 500 PSI From: 1000' TO: 6255' Anticipated Max. BHP: 3300 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 110 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 25 days to drill the well with completion taking another 20 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN YATES PETROLEUM CORPORATION Luminary BAU Federal Com. #1 Re-entry

uminary BAU Federal Com. #1 Re-e

Section 35-T11S-R26E 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.

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 14 miles north of Dexter, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go to Dexter, NM, at the intersection of State Road 2 and First Street (across from Allsups). Turn north on First Street (becomes Shawnee) for approx. 2 miles to a "T". Turn east on Wichita Road. Stay on Wichita Road for 2.3 miles to a "Y". Take Wichita Road right and continue for 5.8 miles to stop sign at Bottomless Lakes. Turn right and follow State Road 409 for approx. 2 miles. Turn east 360' to cattle guard with gate (Combination 4202). Continue for approx. 650' and new road will start here and go south for 0.8 of a mile then turn east. Go east for approx. 400' and turn north for 150' to the SE corner of the pad.

PLANNED ACCESS ROAD:

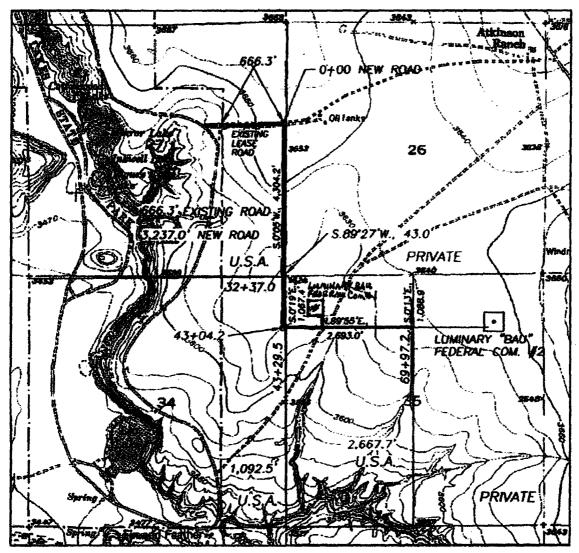
- A. The proposed new access will be approximately 0.9 of a mile in length from the point of origin to the southeast corner of the drilling pad. The road will lie in a south, then east direction, and then north to location.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. Existing roads will be maintained in the same or better condition

3. LOCATION OF EXISTING WELL:

- A. There is no 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.



DESCRIPTION:

LOVINGTON

A LEASE ROAD RIGHT OF WAY 30 FEET WIDE AND 7,663.5 FEET IN LENGTH, BEING 15 FEET TO THE LEFT AND RIGHT OF THE SURVEY CENTERLINE AS SHOWN ON THIS PLAT.

SECTION 27: 3,903.3 FEET = 236.5636 RODS, 0.7393 MILES OR 2.6882 ACRES, MORE OR LESS. SECTION 34: 1,092.5 FEET = 66.2121 RODS, 0.2069 MILES OR 0.7524 ACRES, MORE OR LESS. SECTION 35: 2,667.7 FEET = 161.6788 RODS, 0.5052 MILES OR 1.8373 ACRES, MORE OR LESS. 7,663.5 FEET = 464.4545 RODS, 1.4514 MILES OR 5.2779 ACRES, MORE OR LESS.

> Yates Petroleum Corporation Luminary BAU Federal Com. #1 660' FNL and 660' FWL

Section 35, T11S-R26E Chaves County. New Mexico Exhibit "A-2"

<u>2</u>000° - 1<u>000'</u> 1000 Scale 1" = 1000° THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON CORP. YATES PETROLEUM

WHICH IT IS BASED MENE TONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DESICISATE BESINES OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARD, FOR LAND SURVEYS IN NEW MEDICO AS ADOPTED BY THE MEDICAL TARGET OF REGISTRATION FOR PROFESSION CONTRACTOR AND AND SERVEYORS. ON PESSIONAL GENERAL BOMPANY P.O. BOX 1928

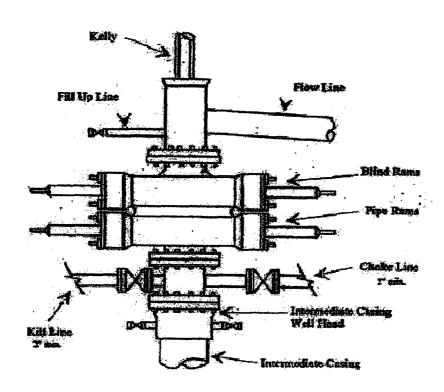
LEASE ROAD TO ACCESS THE YATES LUMINARY "BAU" FEDERAL COM. \$2 WELL LOCATED IN SECTION 35, TOWNSHIP 11 SOUTH, RANGE 28 EAST, NAPM, CHAVES COUNTY, NEW MEXICO.

Survey Date: 3/24/2003 Sheet 2 Drawn Bys Ed Blevins W.O. Number Scole 1" - 1000' LUMINARY NEW MEXICO 88260 Dots: 3/24/03

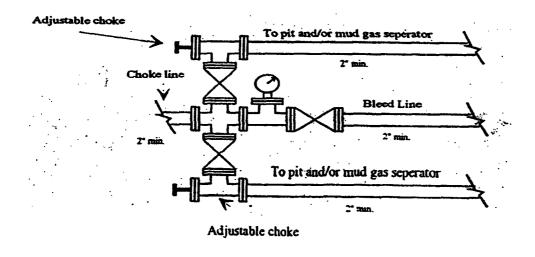


Yates Petroleum Corporation

Typical 2,000 psi Pressure System
Schematic
Double Ram Preventer Stack



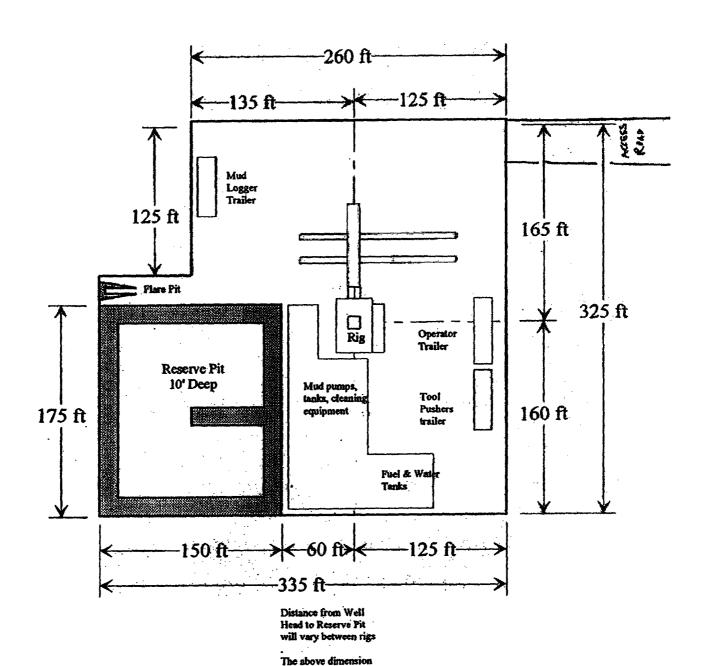
Typical 2,000 psi choke manifold assembly with at least these minimum features



Yates Petroleum Corporation Location Layout for Permian Basin

Up to 12,000'

Yates Petroleum Corporation Luminary BAU Federal Com. #1 660' FNL and 660' FWL Section 35, T11S-R26E Chaves County, New Mexico Exhibit "C"



should be a maximum