

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

January 2, 2003

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Certified Mail
Return Receipt Request

RE: Application for Unorthodox Location
Rojo Stripe BAR Federal #1
460' FSL and 635' FWL
Section 18, T20S-R23E
Eddy County, New Mexico

Dear Mr. Stogner

Yates Petroleum Corporation respectfully requests administrative approval for the captioned Wildcat Chester Gas well.

The Rojo Stripe BAR Federal #1 was originally located at 660' FSL and 660' FWL. This location was moved to the captioned unorthodox location on recommendations of Mr. Barry Hunt of the Carlsbad Bureau of Land Management Office to avoid topographic features.

BP American Production Company is the offset operator to the south and they have been notified as of this date of Yates' request for an administrative approval for this unorthodox location.

We also wish this approval to cover the following formations being the Little Box Canyon Morrow located one mile to the southwest of Section 25, T20S-R23E all except the northwest quarter.

Enclosed please find our Administrative Application CheckList and supporting information.

Should you need anything further please advise.

Thank you,

Very truly yours,

YATES PETROLEUM CORPORATION

Cy Cowan
Regulatory Agent
/cyc

NEW MEXICO OIL CONSERVATION DIVISION

SUBMITTAL GUIDELINES FOR ADMINISTRATIVE APPROVAL
OF NON-STANDARD LOCATION APPLICATIONS

- I. If the well is located on Federal or Indian Lands, the Federal Surface Management Agency must be notified and an on-site inspection conducted prior to filing the application. If an Application for Permit to drill or a Notice of Staking has been prepared, a copy must be submitted. *ATTACHED*
- II. Completed C-102 showing the well location, proration unit, leases within the unit and other required information. *ATTACHED*
- III. Land plat showing offset operators and working interest owners and any offsetting wells producing from the same pool or formation. *ATTACHED*
 - A. This information may be shown on the topo map if it does not impair the readability of the map.
 - B. The operator should certify that the information is current and correct. *This information is correct*
- IV. Original or clear copy of topographic map, preferably 7.5 minute quad, showing contours and other mapped features impacting the location, with the following information marked thereon (In order to be able to adequately show all of the necessary surface conditions it may be necessary to enlarge the relevant portion of the topo map to provide room for detail):
 - A. ☒ The proposed well location and proration unit;
 - B. ☒ An outline of the orthodox drilling windows as provided in the applicable rules for the subject application;
 - C. ☒ The location of any wells to any formation within the area of the proration unit and a statement as to whether an existing pad can be used to drill the proposed well;
- V. An enlargement of the topo map showing the subject area with the applicable additional information:
 - A. Terrain features not shown on the map which make an orthodox location unusable; *See V-A ATTACHED*
 - B. Proposed access roads and pipelines if they affect the location selection; *N/A*
 - C. The location of any surface uses which prevent use of a legal location; *N/A*

- D. The location of any archeological sites identified in the archeological survey; *N/A*
- E. The location and nature of any other surface conditions which prevent the use of an orthodox location. *N/A*
- VI. If archeological sites are a reason for the unorthodox location request, a copy of the archeological survey, or a summary, identifying sites which cannot be disturbed or which must have any disturbance mitigated. In addition, the location of such areas should be marked on the enlarged topo so they can be clearly identified. *N/A*
- VII. A narrative report of any on-site inspection of the potential locations. If such on-site has resulted in elimination of legal locations due to surface conditions, such information should also be noted on the enlarged topo. *See Attached + IV-A*
- VIII. A statement of why directional drilling to reach a legal bottom-hole location is not feasible. *N/A*
- IX. An affidavit that notice has been sent to all parties entitled thereto, under the Divisions Rules and Regulations with return receipt cards showing date of receipt of notice.

*See Attached Green Card that was
Sent.*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM93459
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		7. If Unit or CA Agreement, Name and No.
3a. Address 105 S 4TH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	8. Lease Name and Well No. ROJO STRIPE BAR FEDERAL 1
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSW 460FSL 635FWL At proposed prod. zone SWSW 460FSL 635FWL		9. API Well No.
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 42 MILES SW OF ARTESIA, NM		10. Field and Pool, or Exploratory UNKNOWN
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 635	16. No. of Acres in Lease 1198.88	11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T20S R23E Mer NMP
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2 MILES	19. Proposed Depth 8450 MD	12. County or Parish EDDY
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4253 GL	22. Approximate date work will start	13. State NM
23. Estimated duration 45		17. Spacing Unit dedicated to this well
20. BLM/BIA Bond No. on file		

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) CY COWAN Ph: 505.748.4372	Date 10/28/2002
Title REGULATORY AGENT		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) MARY J RUGWELL	Date 12/10/2002
Title ASSISTANT FIELD MANAGER		
Office Carlsbad		

Application approval does not warrant or certify 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.

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.

Additional Operator Remarks (see next page)

Electronic Submission #15572 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by Armando Lopez on 10/30/2002 (03AL0024AE)

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

W2U FILE

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FILE COPY

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-93459
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION Contact: ROBERT ASHER E-Mail: landdept@ypcnm.com		7. If Unit or CA Agreement, Name and No.
3a. Address 105 SOUTH 4TH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	8. Lease Name and Well No. ROJO STRIPE BAR FEDERAL 1
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SWSW 460FSL 635FWL At proposed prod. zone SWSW 460FSL 635FWL		9. API Well No.
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 42 MILES SW OF ARTESIA, NM		10. Field and Pool, or Exploratory WILDCAT CHESTER
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 635	16. No. of Acres in Lease 318.88	11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T20S R23E Mer NMP
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2 MILES	19. Proposed Depth 8450 MD	12. County or Parish EDDY
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4253 GL	22. Approximate date work will start	13. State NM
23. Estimated duration 45		17. Spacing Unit dedicated to this well
20. BLM/BIA Bond No. on file 585997		

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) CY COWAN Ph: 505.748.4372	Date 10/28/2002
Title REGULATORY AGENT		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify 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.

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.

Additional Operator Remarks (see next page)

Electronic Submission #15572 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Cartasana

FILE COPY

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **

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 Wildcat Chester	
Property Code		Property Name ROJO STRIPE BAR FED			Well Number 1
OGRID No. 025575		Operation Name YATES PETROLEUM CORPORATION			Elevation 4253

Surface Location

UL or Lot No. LOT 4	Section 18	Township 20-S	Range 23-E	Lot Idn.	Feet from the	North/South line SOUTH	Feet from the	East/West line WEST	County EDDY
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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 318.88		Joint or Infill	Consolidation Code	Order No.					

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 October 23, 2002	
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.		
Date of Survey OCTOBER 9, 2002		
Signature and Seal of Professional Surveyor		
Certificate Number NM PROFESSIONAL SURVEYOR 5412		

YATES PETROLEUM CORPORATION

Rojo Stripe "BAR" Federal #1
460' FSL and 635' FWL
Section 18-T20S-R23E
Eddy County, New Mexico

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

San Andres	Surface	Strawn	6793'
Glorieta	1509'	Atoka	7730'
Upper Yeso	1709'	Morrow Clastics	8040'
Tubb	2903'	Middle Morrow	8065'
Lower Yeso	3047'	Lower Morrow	8205'
Abo	3559'	Base Morrow Clastics	8300'
Wolfcamp	4653'	Chester LM	8370'
Cisco	5843'	TD	8450'

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 9 5/8" casing and rated for 3000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings, which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
14 3/4"	9 5/8"	36#	J-55	ST&C	0-1400'	1400'
8 3/4"	5 1/2"	17#	J-55	LT&C	0-100'	100'
8 3/4"	5 1/2"	15.5#	J-55	LT&C	100-6800'	6700'
8 3/4"	5 1/2"	17#	N-80	LT&C	6800'-8450'	1550'

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

B. CEMENTING PROGRAM:

Surface casing: 900 sx Lite + 25#/sx Celloflake+ 2% CaCL₂ + 5sx LCM-1 + 6% Bentonite.
Tail in with 200sx C + 2% CaCL₂.

Production Casing: TOC=4200', 800 sx Super "C" (YLD 1.67 WT 13.0).

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1400'	FW Spud Mud/Air Mist	8.4-8.6	28-36	N/C
1400'-7200'	FW/Cut Brine	8.4-9.2	28	N/C
7200'-TD	Salt Gel/Starch/4% KCL	9.2-9.6	34-36	<10-12cc

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 intermediate casing.
Logging: Platform Express/HALS/sonic; possible FMI.
Coring: Possible Rotary Sidewall Cores
DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 1400'	Anticipated Max. BHP: 600	PSI
From: 1400'	TO: 8450'	Anticipated Max. BHP: 4200	PSI

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None Anticipated

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**

Rojo Stripe "BAR" Federal #1
460' FSL and 635' FWL
Section 18-T20S-R23E
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 wellsite is located approximately 42 miles Southwest of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go south of Artesia on Highway 285 to Rock Daisy Road (CR-23). Turn west on Rock Daisy Road and go approx. 17.5 miles to Armstrong Road (CR-12). Turn south on Armstrong Road and go 0.5 of a mile to Deer Canyon Road (CR-24). Turn west on Deer Canyon Road and go approx. 1.6 miles. Turn left on faint two-track road going south. Follow two-track road for approx. 0.5 of a mile to dry hole marker for the Max Wilson #1 Lynn Wildernhel well. The new road will start here going southeast for approx. 0.4 of a mile to the northeast corner of the proposed well location.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will go southeast for approximately 0.4 of a mile to the northeast corner of the drilling pad. The road will lie in a north to south direction. See attached map.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Some traffic turnouts will be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL:

- A. There is no drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

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.

Rojo Stripe "BAR" Federal #1

Page 2

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:

Dirt contractor will locate nearest pit and 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 wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP: Federal Surface, Administered by Bureau of Land Management, 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

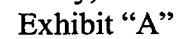
14. CERTIFICATION:

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.

10/28/01



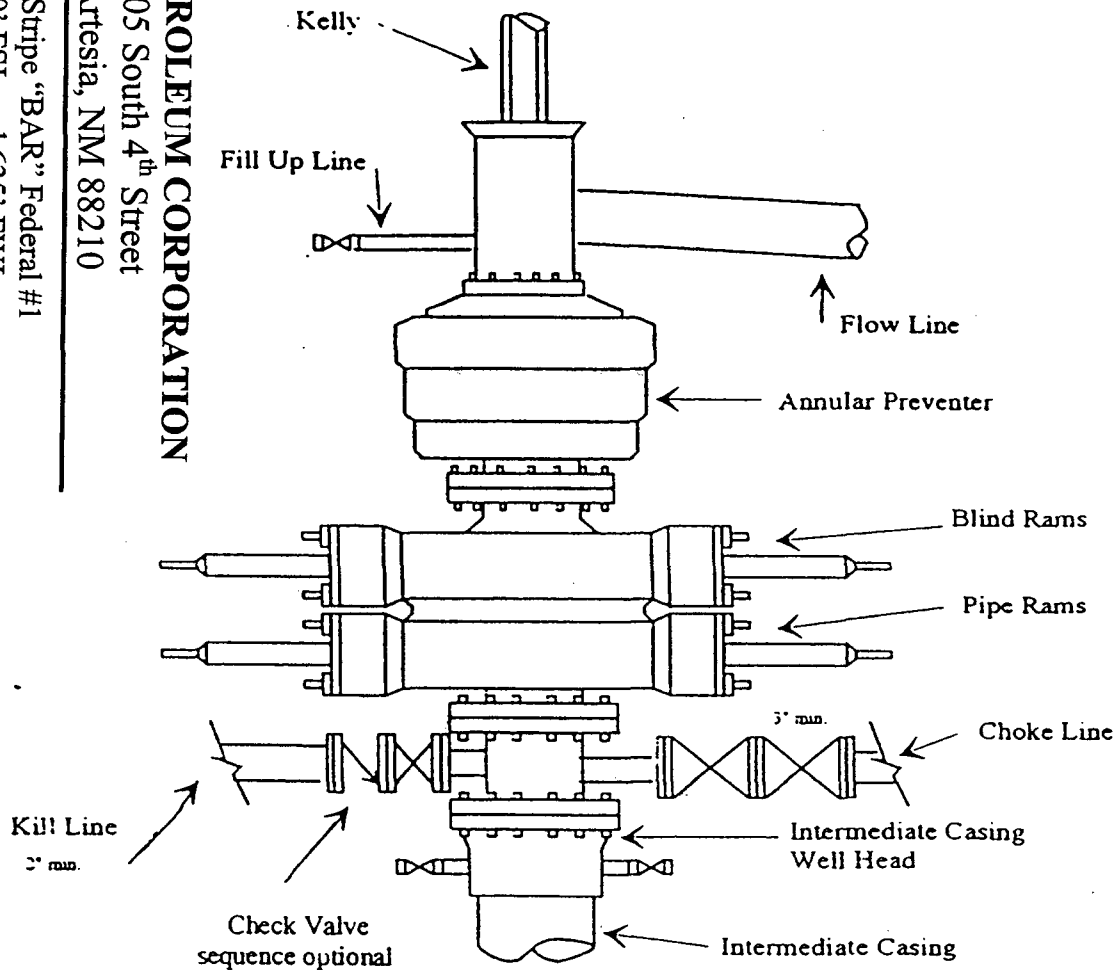
Regulatory Agent



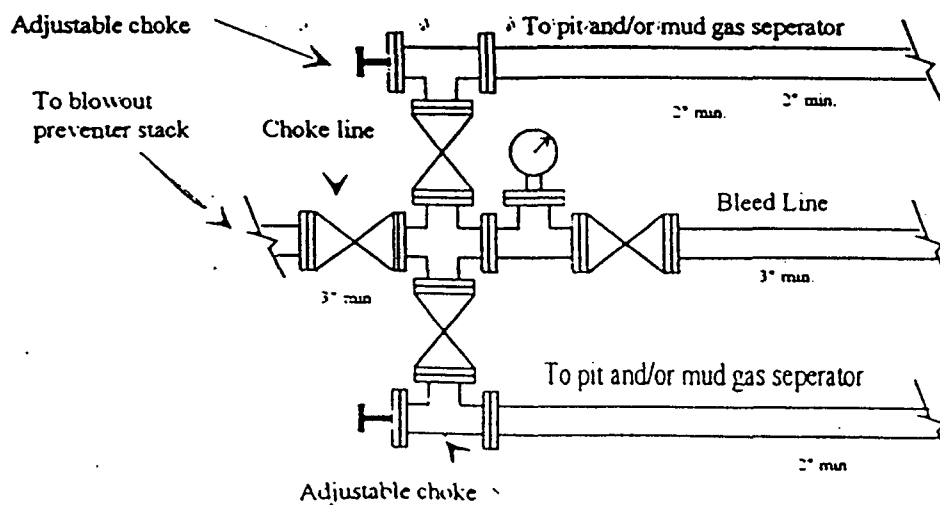
Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features



YATES PETROLEUM CORPORATION

105 South 4th Street
Artesia, NM 88210

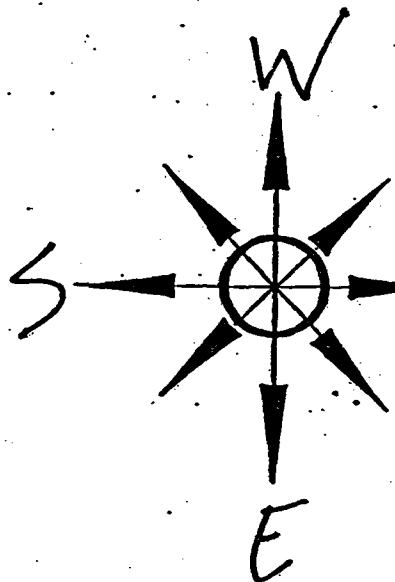
Rojo Stripe "BAR" Federal #1

460' FSL and 635' FWL

Section 18-T20S-R23E

Eddy County, New Mexico

Exhibit "B"



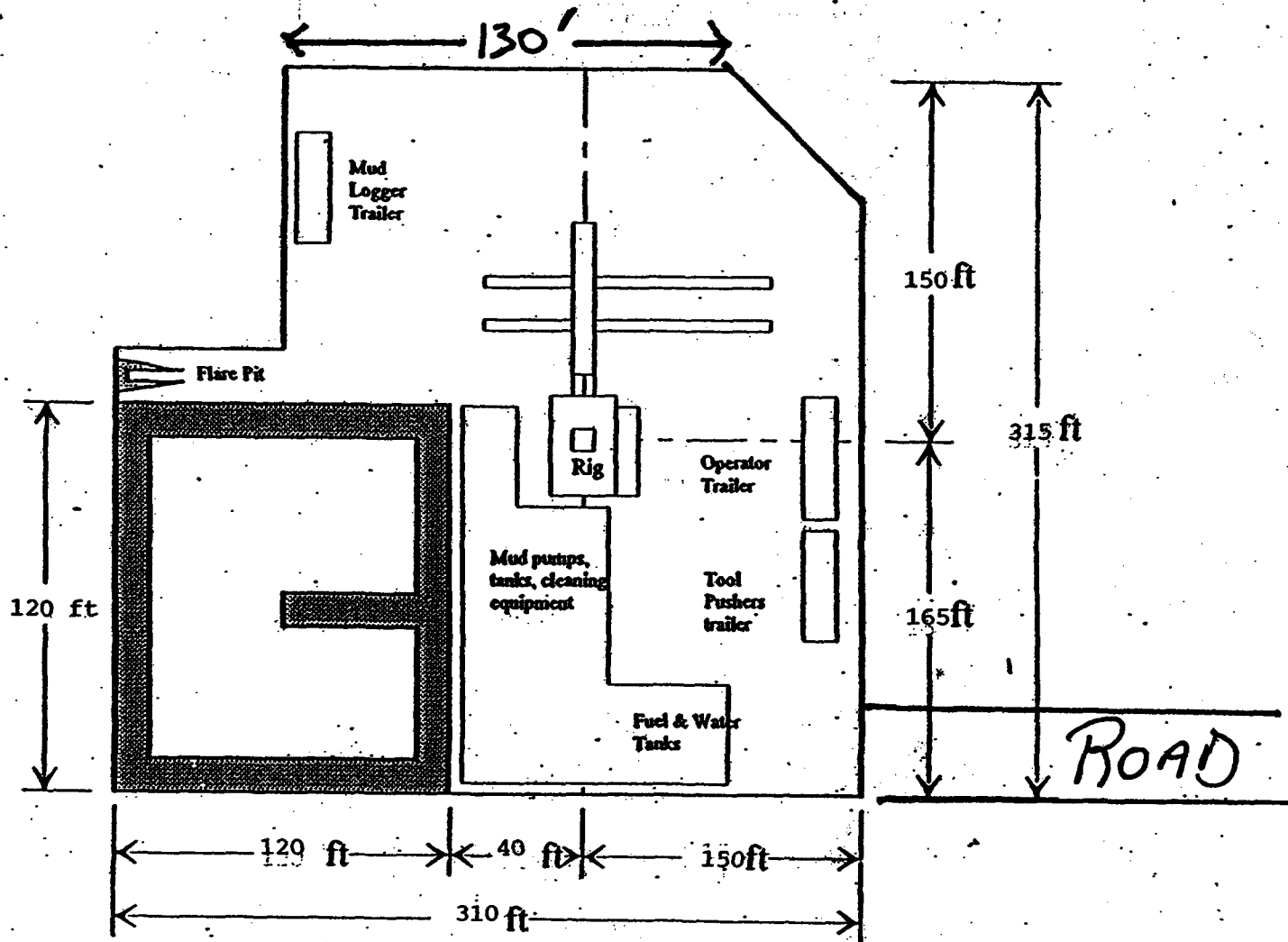
Yates Petroleum Corporation
Location Layout for Permian Basin
Up to 12,000'

N Pits South
Cut NW Corner of
Location Down to
Stay out of drainage

YATES PETROLEUM CORPORATION

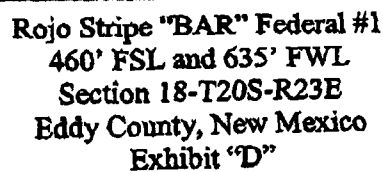
105 South 4th Street
Artesia, NM 88210

Rojo Stripe "BAR" Federal #1
460' FSL and 635' FWL
Section 18-T20S-R23E
Eddy County, New Mexico
Permit # "C"



Distance from Well
Head to Reserve Pit
will vary between rigs

The above dimension
should be a maximum



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	
				Wildcat Chester	
Property Code		Property Name			Well Number
		ROJO STRIPE BAR FED			1
OGRID No.		Operation Name			Elevation
025575		YATES PETROLEUM CORPORATION			4253

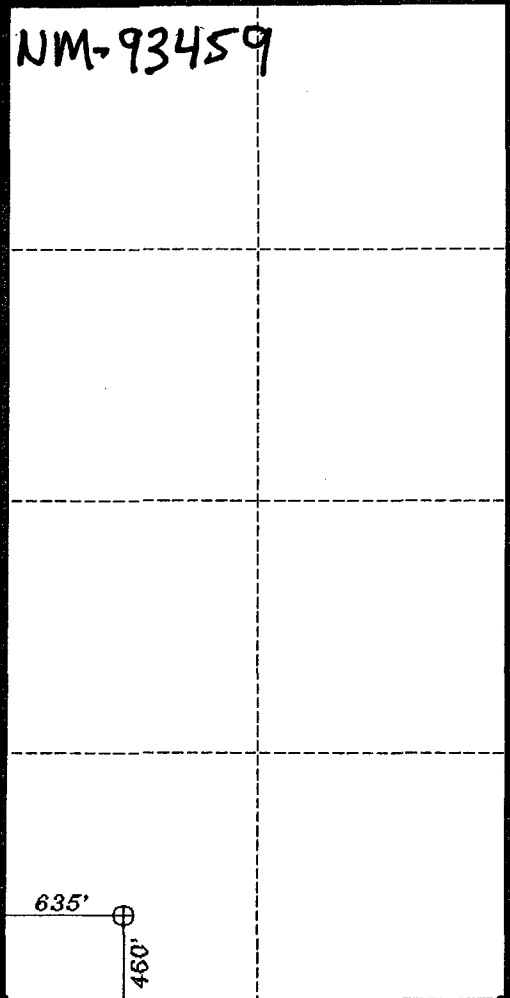
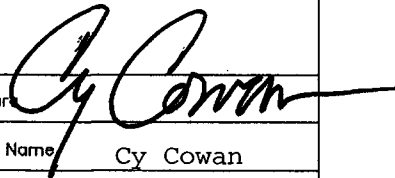
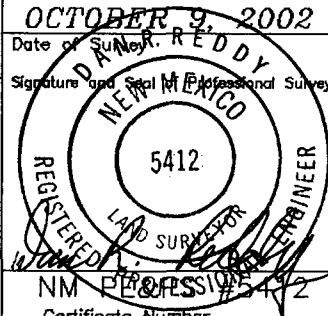
Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
LOT 4	18	20-S	23-E		460	SOUTH	635	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.					
318.88									

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 October 23, 2002	
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.		
Date of Survey OCTOBER 9, 2002		
Signature and Seal of Professional Surveyor 		
NM PROFESSIONAL SURVEYOR 5412		
Certificate Number		

DISTRICT I
1635 E. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Elie Brazos Rd., Artesia, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Little Box Canyon Morrow
Property Code	Property Name Rojo Stripe BAR Federal	Well Number 1
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4253'

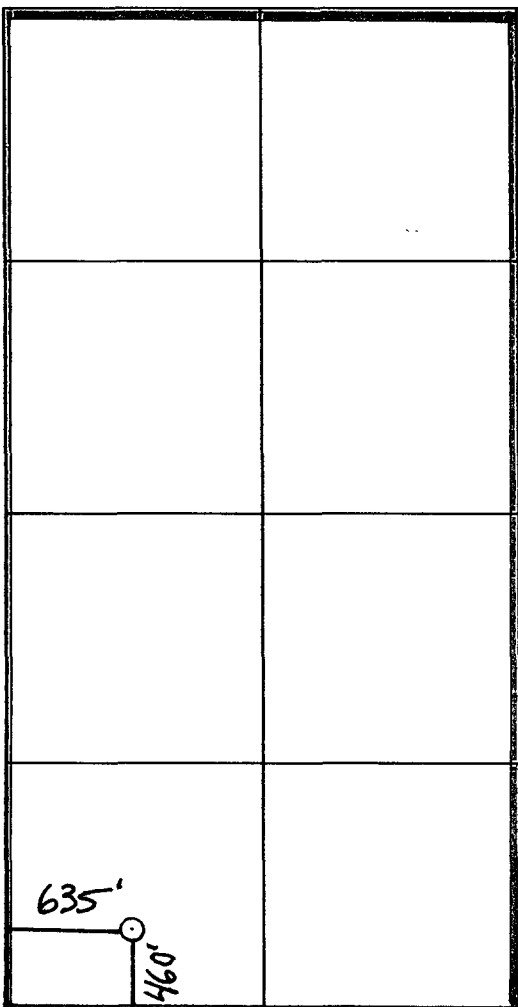
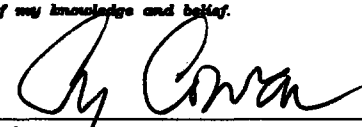
Surface Location

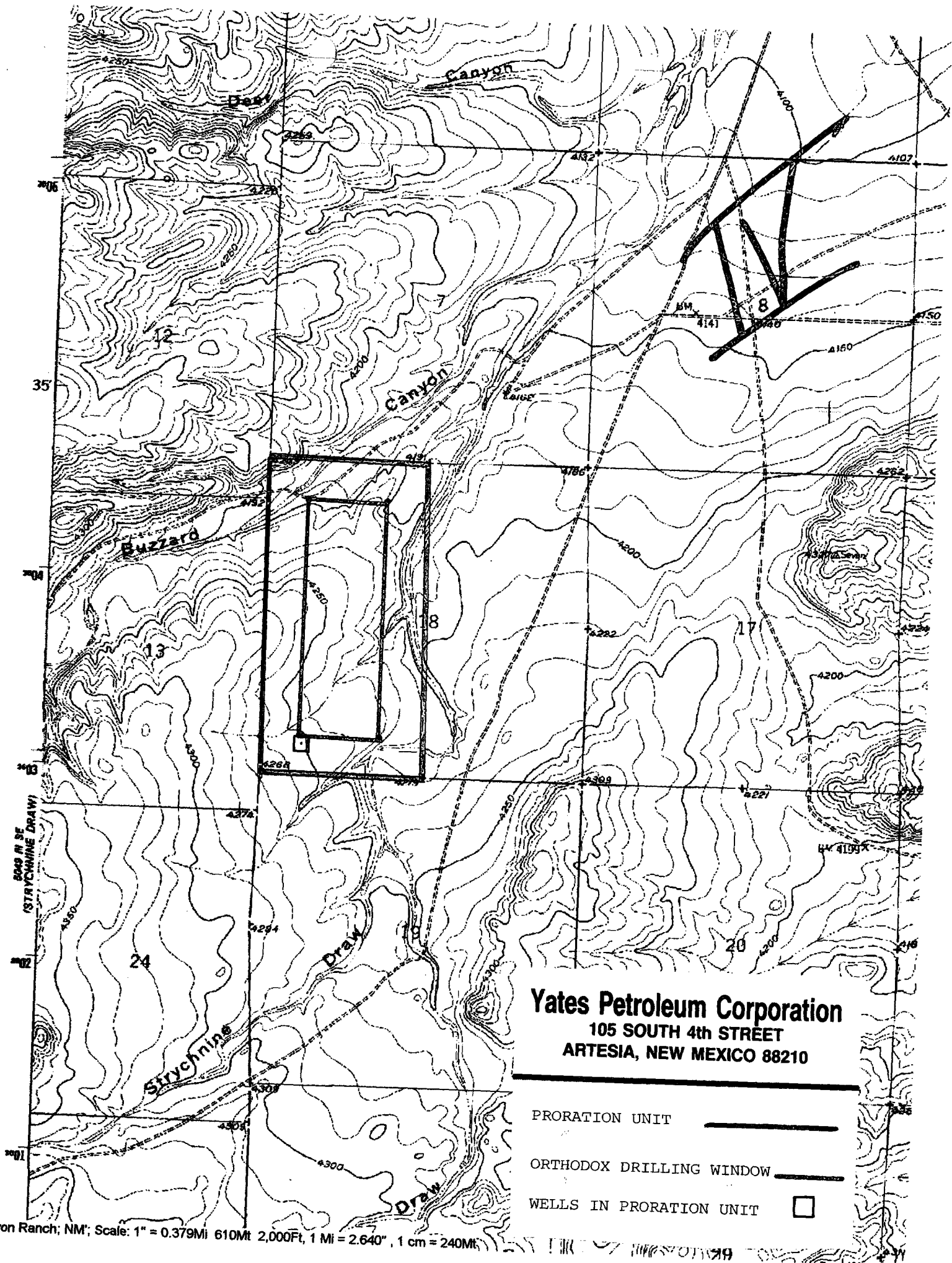
UL or lot No. M	Section 18	Township 20S	Range 23E	Lot Idn	Feet from the 460'	North/South line South	Feet from the 635'	East/West line West	County Eddy
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	----------------

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 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

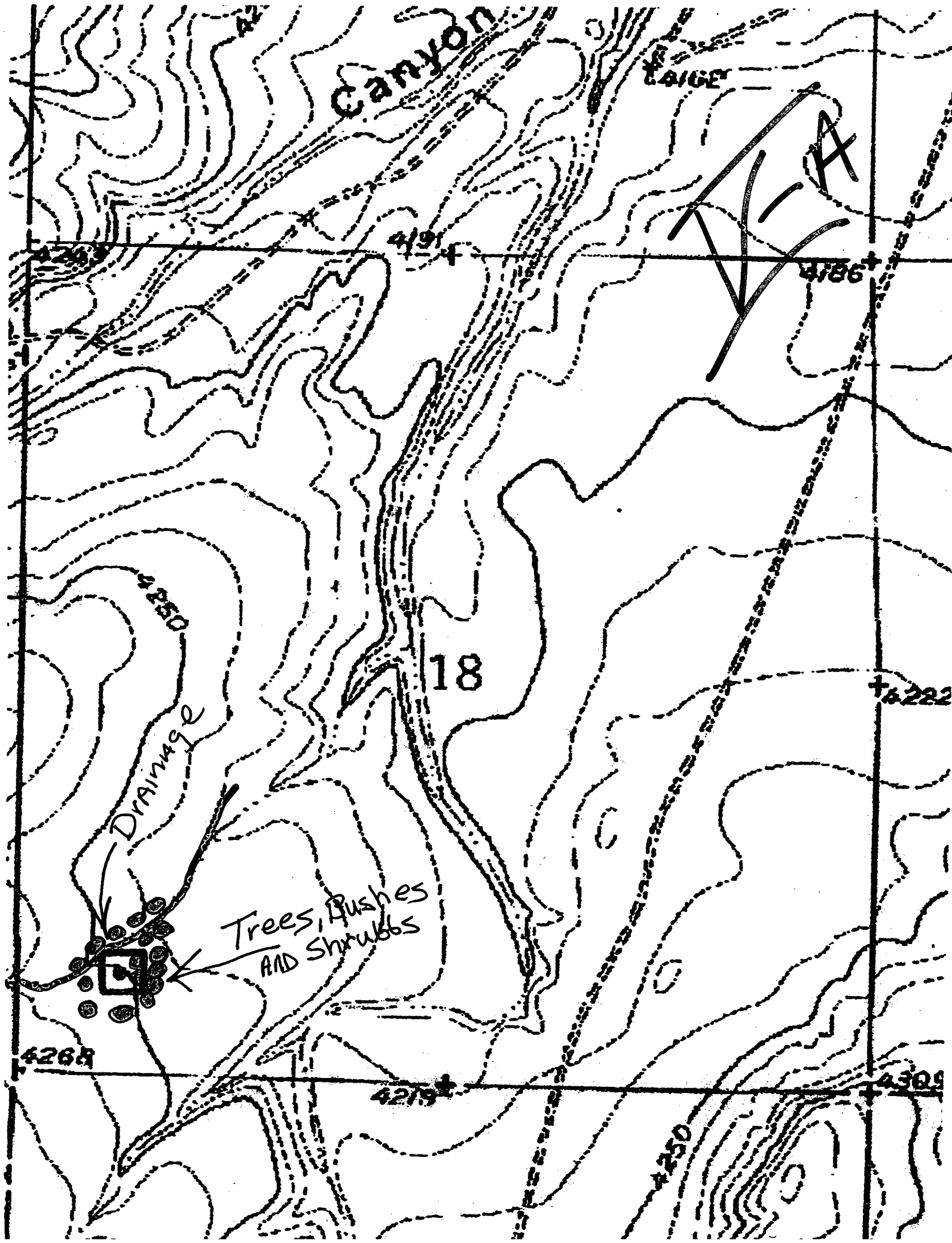
					OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Cy Cowan Printed Name Regulatory Agent Title January 2, 2003 Date	
					SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown 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.</i> REFER TO ORIGINAL PLAT Date Surveyed Signature & Seal of Professional Surveyor	
					Certificate No. Herschel L. Jones RLS 3640	
					GENERAL SURVEYING COMPANY	



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

PRORATION UNIT
 ORTHODOX DRILLING WINDOW
 WELLS IN PRORATION UNIT

Box Canyon Ranch; NM; Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640" , 1 cm = 240Mt



VII.

On or about October 2, 2002, I met with Mr. Barry Hunt of the Carlsbad Bureau of Land Management for an on-site inspection for the proposed Rojo Stripe BAR Federal #1 location. Two topographical features would have been impacted by the well location if the location was built at the orthodox 660' FSL and 660' FWL as proposed by Yates. The first being the northwest corner of the well pad would have fallen into a drainage going to Segrest Draw a major draw in the area. Mr. Hunt believed the pad would fall into a BLM designated Flood Plain Hazard Zone if were built at the original proposed location. The second problem is the east side of the well pad was too close to some native trees and ground cover. Mr. Hunt believed building the location close to the trees would damage Riparian Habitat. Mr. Hunt proposed moving the location to the south and west because he felt the resource people at the BLM would agree to the Application For Permit To Drill if we were protecting the trees, bushes, shrubs, and waterways.

PLEASE NOTE V-A.

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

January 2, 2003

TO: Addressee List Attached

Certified Mail
Return Receipt Requested

RE: Offset Operator/Leasehold Notification
Unorthodox Location
Rojo Stripe BAR Federal #1
Township 20 South, Range 23 East
Section 18: 460' FSL & 635' FWL
Eddy County, New Mexico

Gentlemen:

Yates Petroleum Corporation has been advised by the Artesia office of the Oil Conservation Division that the Rojo Stripe BAR Federal #1 well is located at an unorthodox location which is described above. This location does not comply with existing special rules for the Wildcat Chester Gas Pool which states that no well shall be located closer than 660' feet from an outer boundary of a 320 acre spacing unit. Yates was required by the Bureau of Land Management to move this location to the unorthodox location because of topographic reasons.

If you have no objections to this unorthodox location please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the New Mexico Oil Conservation Division within twenty (20) days from the date of this notice.

The undersigned hereby waives any objection to the unorthodox location of Yates Petroleum Corporation's Rojo Stripe BAR Federal #1.

Very truly yours,

YATES PETROLEUM CORPORATION


Cy Cowan
Regulatory Agent

Company: _____

Name: _____

Title: _____

Date: _____

***Notification List of Offset
Operator/leasehold Owners***

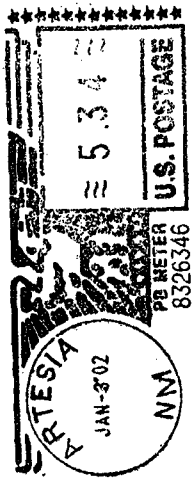
Unorthodox Location
Rojo Stripe BAR Federal #1
Township 20 South, Range 23 East
Section 18: 460' FSL and 635' FWL
Eddy County, New Mexico

BP American Production Company
501 Westlake Park Blvd
WLI-Room 6.199
Houston TX, 77079
Attention: Lee M. Scarborough

CLASS

FIRST CLASS

ASS



ST CLASS MAIL

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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7001 0320 0001 3353 6307

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Lee M. Scarborough
BP American Production Company
501 Westlake Park Blvd.
WLI-Room 6.199
Houston, TX 77079

Use for Instructions



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

County Eddy Pool Little Box Canyon Morrow Gas

TOWNSHIP 20 South Range 21 East NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

Ext: $\frac{S}{2}$ Sec. 36 (R-11097, 12-10-98) Ext: $\frac{N}{2}$ Sec. 36 (R-11172, 5-5-99)

Ext: $\frac{S}{2}$ Sec. 25 (R-11384, 5-25-00) Ext: $\frac{NE}{4}$ Sec. 25 (R-11729, 2-22-02)

County Eddy Pool Little Box Canyon-Morrow Gas

TOWNSHIP 20 South Range 23 East NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
*						
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

Ext: $\frac{1}{2}$ Sec. 31 (A-11815, 8-12-02)

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/06/03 09:19:59
OGOMES -TQFK
PAGE NO: 1

Sec : 18 Twp : 20S Rng : 23E Section Type : NORMAL

1 39.63 Federal owned	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Federal owned
2 39.69 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/06/03 09:20:03
OGOMES -TQFK
PAGE NO: 2

Sec : 18 Twp : 20S Rng : 23E Section Type : NORMAL

3 39.75	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
4 39.81	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12