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

Form 3160-3  
(August 1999)

OCD-ARTESIA

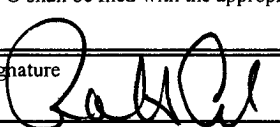
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NM-54272</b>	
b. 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 <b>Not Applicable</b>	
2. Name of Operator <b>Yates Petroleum Corporation Undes. Cemanche Springs; Pre-Permian</b>		7. If Unit or CA Agreement, Name and No. <b>Not Applicable</b>	
3A. Address <b>105 South Fourth Street Artesia, New Mexico 88210</b>		8. Lease Name and Well No. <b>Soccer BGG Federal Com. #1</b>	
3b. Phone No. (include area code) <b>(505) 748-1471</b>		9. API Well No. <b>30-005-63739</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>660' FNL and 660' FWL, NWNW</b> At proposed prod. Zone <b>same as above</b>		10. Field and Pool, or Exploratory <b>Representation</b>	
14. Distance in miles and direction from nearest town or post office* <b>Approximately fifteen (15) miles east of Roswell, NM</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>Section 18, T11S-R27E</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>660'</b>		12. County or Parish <b>Chaves County</b>	13. State <b>NM</b>
16. No. of Acres in lease <b>160.00</b>	17. Spacing Unit dedicated to this well <b>320 acres</b>		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>6550'</b>	20. BLM/BIA Bond No. on file <b>NM-2811</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3608' GL</b>	22. Approximate date work will start* <b>ASAP</b>	23. Estimated duration <b>30 Days</b>	
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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).   |
| 2. A Drilling Plan.   | 5. Operator certification.  |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) <b>Robert Asher</b>	Date <b>2/17/05</b>
Title: <b>Regulatory Agent</b>		
Approved by (Signature) <b>/S/LARRY D. BRAY</b>	Name (Printed/Typed) <b>/S/LARRY D. BRAY</b>	Date <b>FEB 28 2005</b>
Title <b>Assistant Field Manager, Lands And Minerals</b>	Office <b>ROSWELL FIELD OFFICE</b>	<b>APPROVED FOR 1 YEAR</b>

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.

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)

DISTRICT II  
11 South First, Artesia, NM 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

## 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 Wildcat Precambrian
Property Code	Property Name SOCCER "BGG" FEDERAL COM.	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3608

## 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	18	11S	27E		660	NORTH	660	WEST	CHAVES

## 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

<p>3608 3609 660' 660' 3608 33611 N.33°22'13.7" W.104°16'59.2" N.862265.0 E.515489.1 (NAD-27) NM-54272</p>			<b>OPERATOR CERTIFICATION</b>  <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i>   Signature Robert Asher Printed Name Regulatory Agent Title 2/17/2005 Date	
				<b>SURVEYOR CERTIFICATION</b>  <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>  2/09/2005 Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. Herschel L. Jones RLS 3640 SOCCER 1 AND SURVEYOR GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

**YATES PETROLEUM CORPORATION**  
**Soccer BGG Federal Com. #1**  
660' FNL and 660' FWL  
Section 18, T11S-R27E  
Chaves County, New Mexico

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

Queen	315'	Wolfcamp	5055'
Penrose	470'	WC B Zone	5155'
Grayburg	595'	Spear Zone	5410'
San Andres	855'	Cisco	5675'
Glorieta	1980'	Strawn	5810'
Yeso	2115'	Mississippian	5985'
Tubb	3530'	Siluro-Devonian	6070'
Abo	4325'	Precambrian	6450'
		TD	6550'

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

Water: 150'-300'  
Oil or Gas: All potential formations.

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:

- 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>
12 1/4"	8 5/8"	24#	J-55	ST&C	0-950'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-6550'

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

**B. CEMENTING PROGRAM:**

Surface Casing: 400 sx Lite "C" (YLD 2.0 WT 12.5). Tail w/200 sx  
C with 2% CaCL<sub>2</sub> (YLD 1.33 WT 15.6).

Production Casing: 675 sx Pecos Valley Lite (YLD 1.42 WT 13.0). TOC=3800'

**5. MUD PROGRAM AND AUXILIARY EQUIPMENT:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-950'	FW Gel/Paper/LCM	8.6 - 8.9	32-34	N/C
950'-4250'	Brine	9.7 - 9.9	28	N/C
4250'-6550'	Starch/Salt Gel/4-6% KCL	9.7 - 10.0	45-55	<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, surface casing to TD.

Logging: Platform Express: CNL/LDT/NGT TD-Surf csg; CNL/GR TD-Surf;  
DLL/MSFL TD - Surf csg; BHC Sonic TD-Surf csg;

Coring: None

DST's: None.

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

Anticipated BHP:

From: 0	TO: 950'	Anticipated Max. BHP: 440 PSI
From: 950'	TO: 6550'	Anticipated Max. BHP: 3400 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H<sub>2</sub>S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 145 F

**8. ANTICIPATED STARTING DATE:**

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 10 days to drill the well with completion taking another 20 days.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

### **Soccer BGG Federal Com. #1**

660' FNL and 660' FWL

Section 18, T11S-R27E

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.

#### **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 15 miles east of Roswell, New Mexico and the access route to the location is indicated in red (new) and green (existing) on Exhibit A.

#### **DIRECTIONS:**

Drive east of Roswell on Hwy 380, approximately 12 miles to a gate on the right (south) side of the highway, turn right, go thru gate and continue south on old ranch road for approximately 0.7 of a mile to another gate, go thru gate and continue approximately 0.3 of a mile, the new road is staked on the left, follow staking southeast for approximately 0.3 of a mile to a newly constructed pipeline, follow pipeline ROW south for approximately 1.5 miles to the access road staked on the left (east) turn left and follow staking approximately 400' to the southwest corner of the location.

#### **2. PLANNED ACCESS ROAD:**

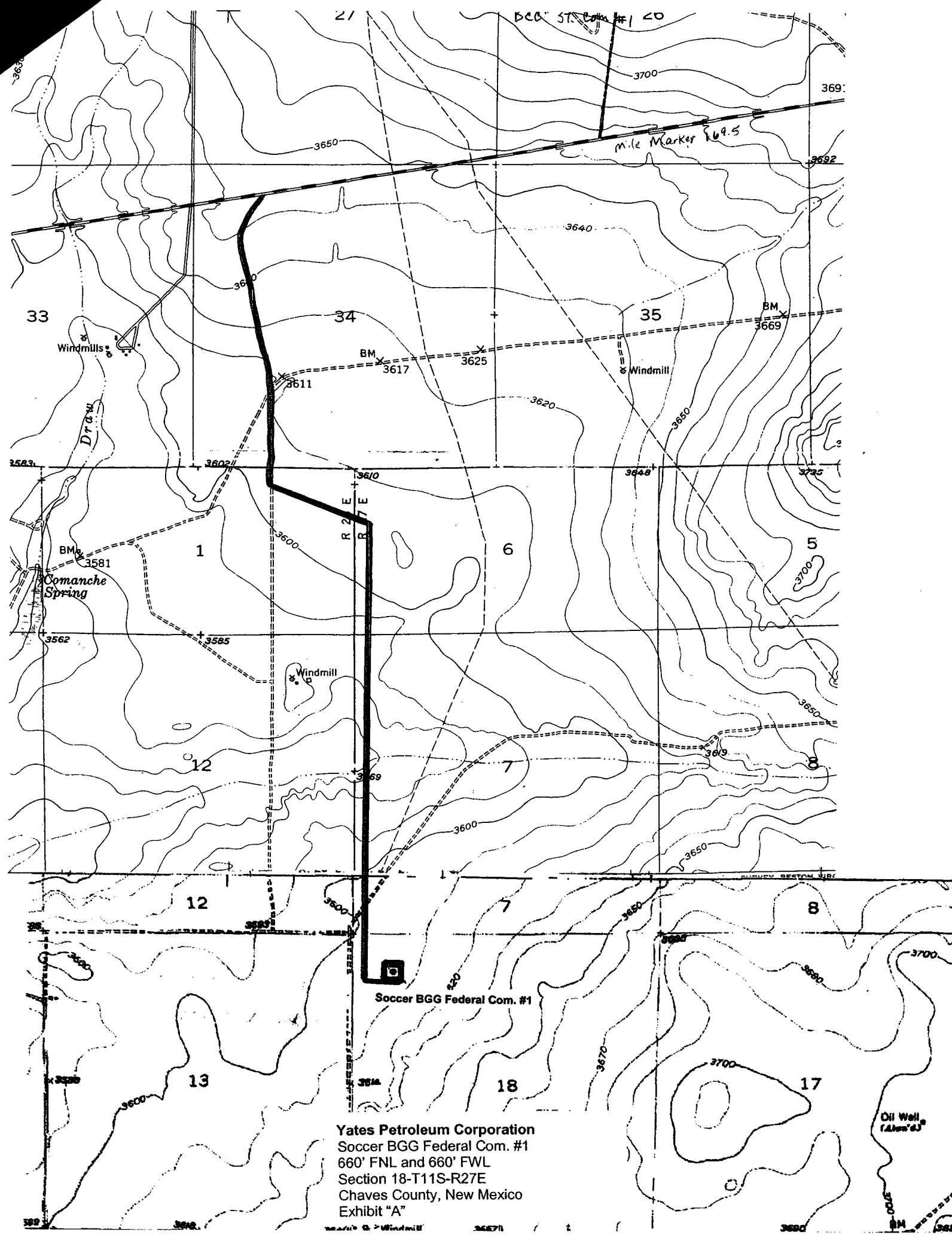
- A. The proposed new access will be approximately 10560' in length from the point of origin to the southwest corner of the drilling pad.  
The road will lie in a south to north direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. Existing roads will be maintained in the same or better condition.

#### **3. LOCATION OF EXISTING WELL:**

- A. There is 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 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.



Yates Petroleum Corporation  
Soccer BGG Federal Com. #1  
660' FNL and 660' FWL  
Section 18-T11S-R27E  
Chaves County, New Mexico  
Exhibit "A"



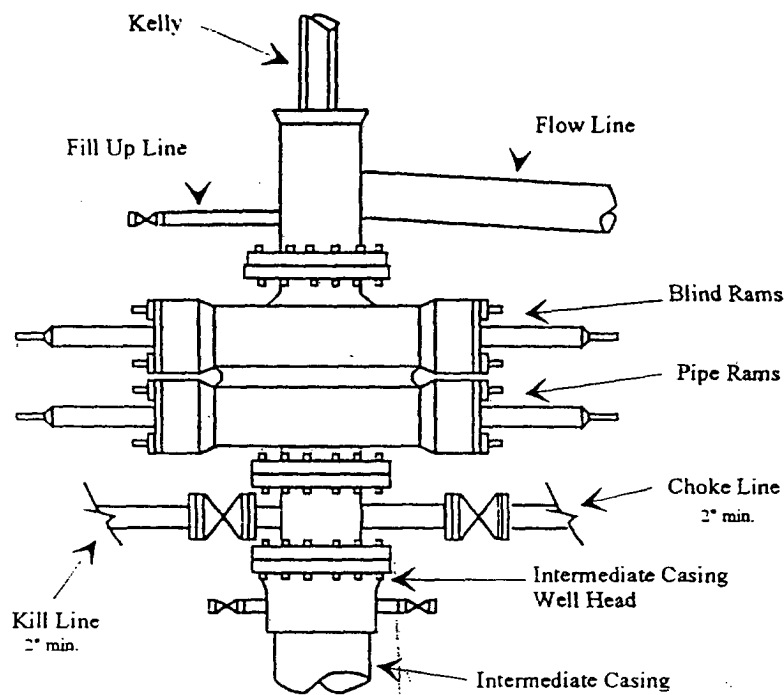
# Yates Petroleum Corporation

BOP-2

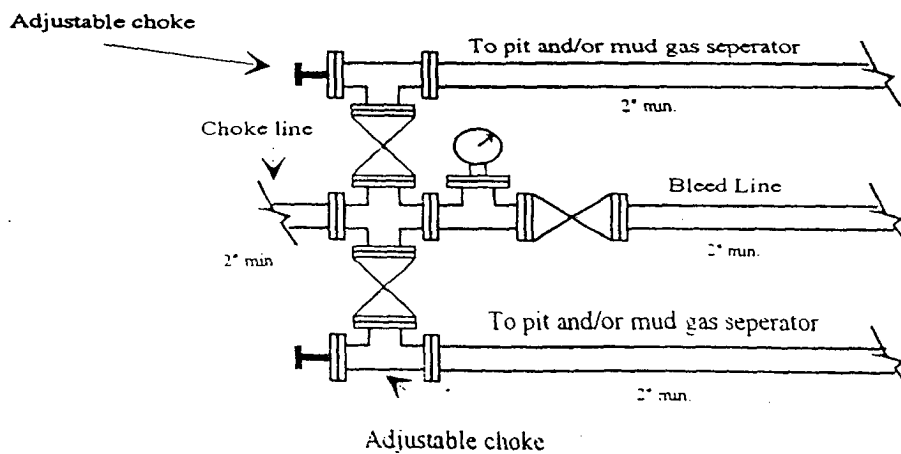
## Typical 2,000 psi Pressure System Schematic

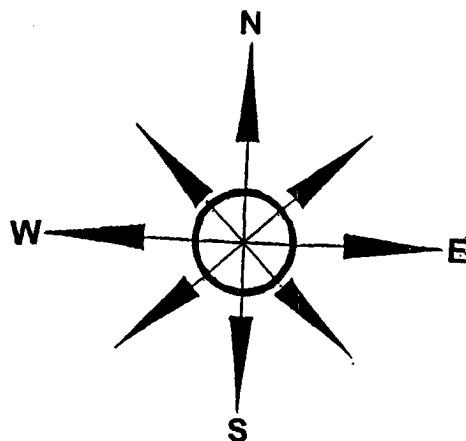
### Double Ram Preventer Stack

Yates Petroleum Corporation  
Soccer BGG Federal Com. #1  
660' FNL and 660' FWL  
Section 18-T11S-R27E  
Chaves County, New Mexico  
Exhibit "B"



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



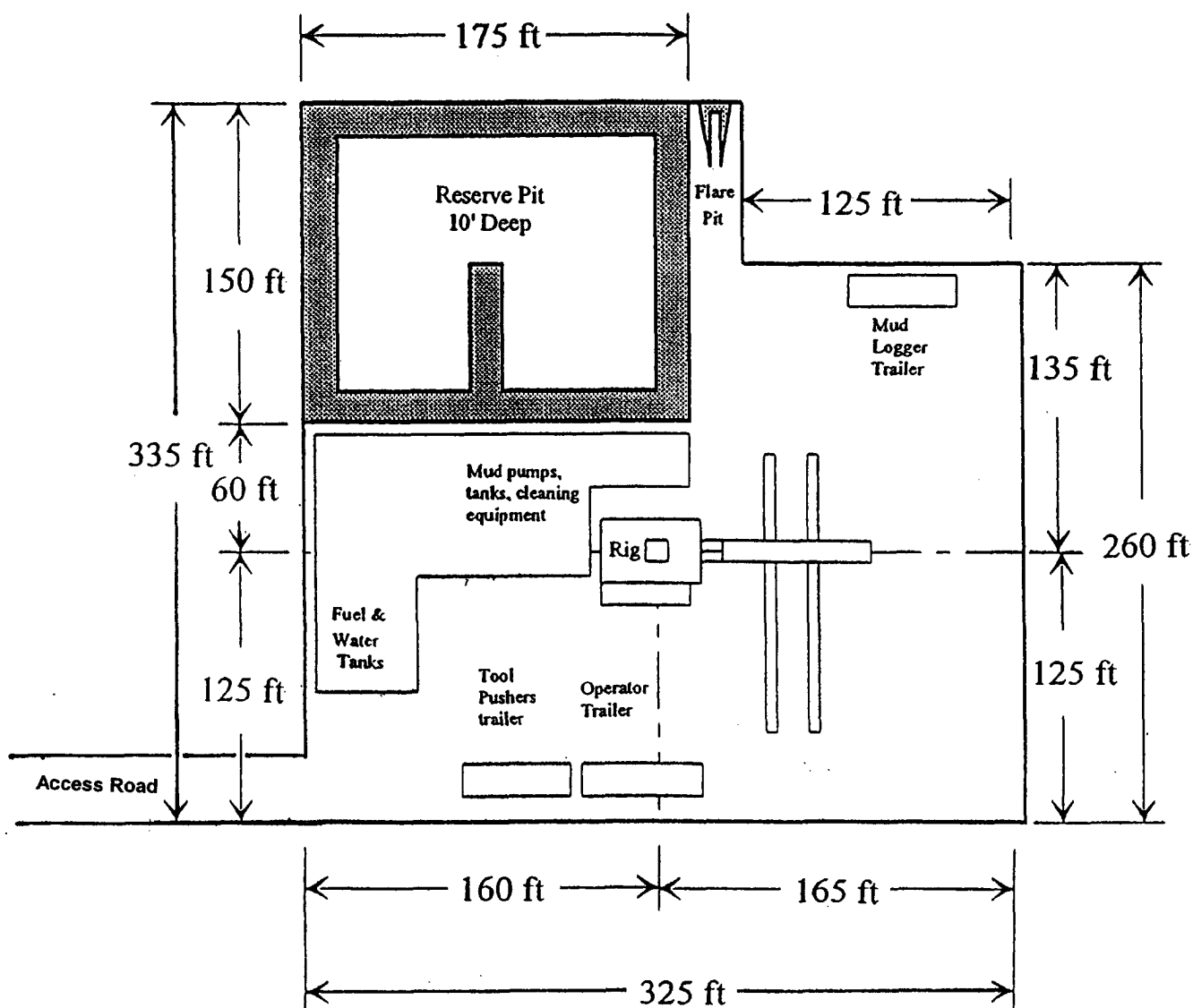


# Yates Petroleum Corporation

## Location Layout for Permian Basin

### Up to 12,000'

Yates Petroleum Corporation  
 Soccer BGG Federal Com. #1  
 660' FNL and 660' FWL  
 Section 18-T11S-R27E  
 Chaves County, New Mexico  
 Exhibit "C"



Distance from Well  
 Head to Reserve Pit  
 will vary between rigs

The above dimension  
 should be a maximum