

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**  
FEB 08 2013  
WOOD ARTESIA

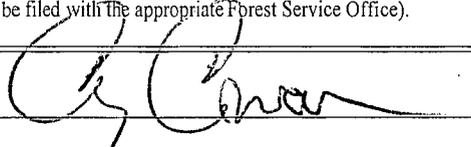
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. CA-NM124254
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		8. Lease Name and Well No. Cottonwood KI Fed. Com #5H
2. Name of Operator YATES PETROLEUM CORPORATION		9. API Well No. 30-015-41086
3a. Address 105 South Fourth Street Artesia, NM 88210	3b. Phone No. (include area code) 575-748-4347	10. Field and Pool, or Exploratory Cottonwood Creek Wolfcamp
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 760' FNL & 305' FEL, Ut. Ltr. D, NWNW At proposed prod. zone 760' FNL & 660' FEL, Ut. Ltr. A, NENE		11. Sec., T. R. M. or Blk. and Survey or Area Section 17, T16S-R25E
14. Distance in miles and direction from nearest town or post office* Approximately six (6) miles northwest of Artesia, New Mexico		12. County or Parish Eddy
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 305'		13. State NM
16. No. of acres in lease NM-9402 - 478.81 & NM - 10266-640&L-6781-280		17. Spacing Unit dedicated to this well N/2 320 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 20'		20. BLM/BIA Bond No. on file NATIONWIDE BOND #NMB000434 Individual Bond NMB000920
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3545' GL		23. Estimated duration 60 days
22. Approximate date work will start* 10/18/2012		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must 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 must 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 BLM.

25. Signature 	Name (Printed/Typed) Cy Cowan	Date 9/18/12
Title Regulatory Agent		

Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed) <i>/s/ Don Peterson</i>	Date FEB - 5 2013
Title 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 TWO YEARS

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.

(Continued on page 2)

Roswell Controlled Water Basin

Please Note: This APD will  
Replace our APD submitted  
7/13/12. Thank you.

Approval Subject to General Requirements  
& Special Stipulations Attached

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

1625 N. French Dr., Hobbs, NM 88240  
**DISTRICT II**  
 1301 W. Grand Avenue, Artesia, NM 88210  
**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
**DISTRICT IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Revised October 12, 2005

Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, New Mexico 87505

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-41086</b>	Pool Code <b>75250 75250</b>	Pool Name <b>Cotton Wood Creek</b> Undesignated Wolfcamp (GAS)
Property Code <b>025575-12157</b>	Property Name <b>COTTONWOOD "KI" FEDERAL COM.</b>	Well Number <b>5H</b>
OGRID No. <b>025575</b>	Operator Name <b>YATES PETROLEUM CORP.</b>	Elevation <b>3545'</b>

Surface Location

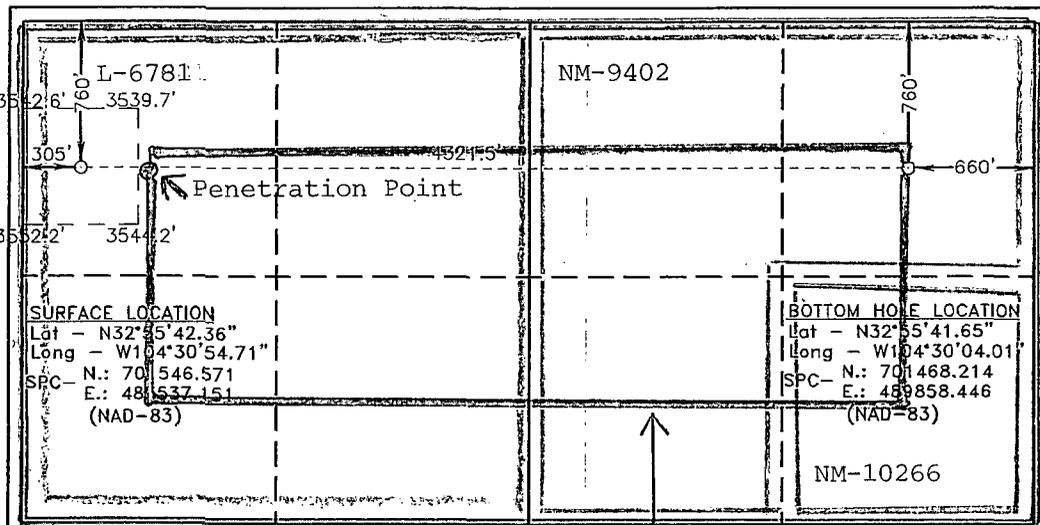
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	17	16 S	25 E		760	NORTH	305	WEST	EDDY

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
A	17	16 S	25 E		760	NORTH	660	EAST	EDDY

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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Cy Cowan* 9/3/12  
 Signature Date

Cy Cowan  
 Printed Name

**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.

MAY 2 2008  
 Date Surveyed

Gary L. Jones  
 Signature & Seal of Professional Surveyor

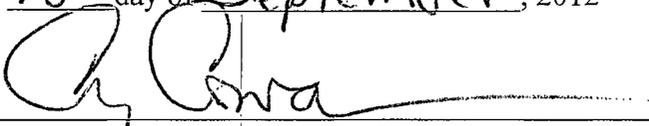
W.A. Jones  
 Certificate No. Gary L. Jones 7977

BASIN SURVEYS

CERTIFICATION  
YATES PETROLEUM CORPORATION  
Cottonwood KI Federal Com. #3H

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; and an someone under employment of Yates Petroleum Corporation has full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 18<sup>th</sup> day of September, 2012

Signature 

Name Cy Cowan

Position Title Land Regulatory Agent

Address 105 South Fourth Street, Artesia, New Mexico 88210

Telephone (575) 748-4372

Field Representative (if not above signatory) Tim Bussell, Drilling Supervisor

Address (if different from above) Same as above.

Telephone (if different from above) (505) 748-4221

E-mail (optional) \_\_\_\_\_

**YATES PETROLEUM CORPORATION**  
**Cottonwood KI Federal Com. #5H**  
760' FNL and 305' FWL (Surface Hole Location)  
760' FSL and 660' FEL (Bottom Hole Location)  
Section 17, T16S-R25E  
Eddy County, New Mexico

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

Formation	TVD	Formation	TVD
Penrose	210'	Tubb	3040' Oil
Grayburg	450'	Abo	3740' Oil
San Andres	490' Oil	TVD Kick-Off	4312'
Glorietta	1815' Oil	Wolfcamp	4926' Gas
Yeso	1985' Oil	Lateral Hole	8907' Gas

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

Water: 41'

Oil or Gas: San Andres, Glorietta, Yeso, Tubb, Abo, and Wolfcamp.

3. **Pressure Control Equipment:** A 3000 # BOPE with a 13 5/8 opening will be installed on the 13 3/8" casing and a 5000# BOP system with a minimum 11" opening will be installed on the 9 5/8" casing and both 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 Preventer controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventers 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.

*one casing head with spools*

**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)

Hole Size	Casing Size	Wt./Ft	Grade	Thread	Interval	Length
17 1/2"	13 3/8"	48#	H-40/J-55 Hybrid	ST&C	0-400'	400'
12 1/4"	9 5/8"	36#	J-55	LT&C	0-1000'	1000'
8 3/4"	5 1/2"	17#	L-80	LT&C	0-4300'	3400'
8 1/2"	5 1/2"	17#	L-80	Butress Thread	4300'-8907'	6280'

The Well will be drilled vertically to 4312'. At 4312' the well will be directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 5052' MD (4789' TVD). The hole will then be reduced to an 8 1/2" hole and drilled to 8907' MD (4865' TVD) where 5 1/2" casing will then will be set and cemented. The penetration point of the producing zone will be 768' FNL and 798' FWL. The deepest TVD in the lateral will be 4865'

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

**B. CEMENTING PROGRAM:**

Surface Casing: Lead with 140 sacks 35:65:6PzC (Wt. 12.50 Yld 2.00). Tail in with 200 sacks Class "C" with 2% CaCl2 (Wt 14.8 Yld 1.34). Cement designed with 100% excess. TOC surface.

Intermediate Casing: Lead with 170 sacks 35:65:6:PzC (Wt. 12.50 Yld. 2.00). Tail in 200 sacks Class C with 2% CaCl2 (Wt. 14.80 Yld. 1.34). Cement designed with 100% excess. TOC is surface.

Production Casing: Lead with 770 sacks 35:65:6PzC (WT 12.50 YLD 2.00). Tail in with 945 sacks of Pecos VILt with Fresh water = 9.297 gal/sack; D 151-CaCO3 Weight = 30%; D 174 Expanding Ce = 1.5% BWOC; D046- Antifoam = .2% BWOC; D800-Retarder = .6% BWOC; D112-Fluid Loss = .5% BWOC; and D 208 Viscosifier = .1% BWOC (Wt 13.00 Yld 1.41). Cement designed with 35% excess. TOC is 500'.

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

Interval	Type	Weight	Viscosity	Fluid Loss
Spud to 400'	Fresh Water	8.6-9.2	28-32	N/C
400' to 1000'	Fresh Water	8.6-9.2	28-29	N/C
1000' 8907'	Cut Brine	8.8-9.2	28-34	<10-15cc

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: See COA**

Samples: 10' out from under Surface casing to 8907'.

Logging: Horizontal Gamma Ray Neutron 8907' to Surface, Density 8907' to 1000', laterlog 8907' to

1000' CMR- 8907' 1000'.

Coring: None anticipated.

DST's: None anticipated

Mudlogging: Yes. Surface casing to 8907'

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

**Anticipated BHP:**

From: 0 TO 400' Anticipated Max. BHP: 191 PSI

From: 400' TO 1000' Anticipated Max. BHP: 530 PSI

From: 1000' TO 4865' Anticipated Max. BHP: 2327 PSI

Abnormal Pressures Anticipated: None

**Cottonwood KI Federal Com. #5H**

**Page Two**

Lost Circulation Zones Anticipated: None  
H2S Zones Anticipated: None Anticipated  
Maximum Bottom Hole Temperature: 168° F

**8. ANTICIPATED STARTING DATE:**

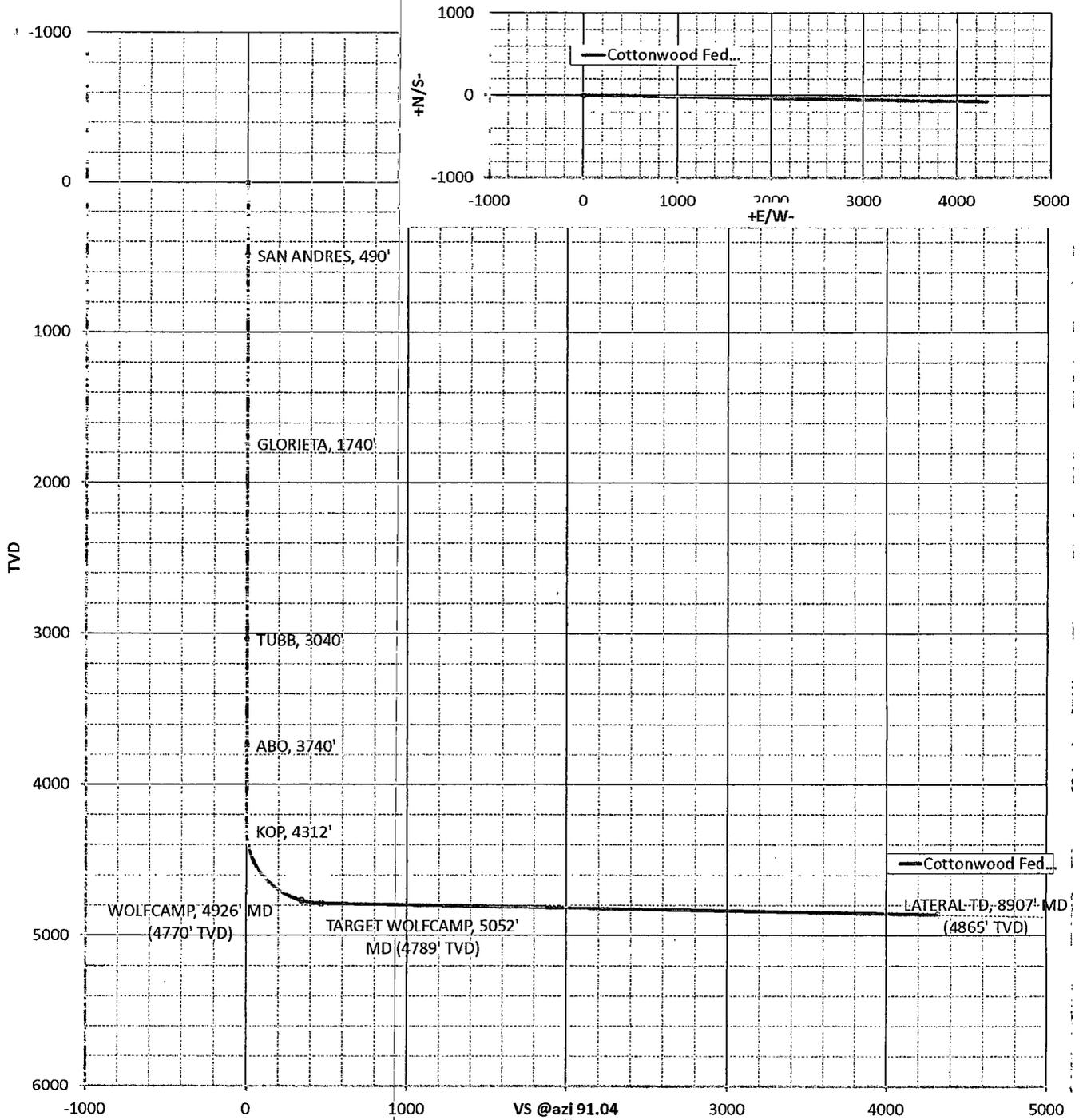
Plans are to drill this well as soon as possible after receiving approval. It should take approximately 45 days to drill the well with completion taking another 30 days.

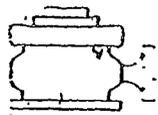
### Survey/Planning Report

<b>Operator</b>	Yates Petroleum Corp.	<b>Northing</b> <b>Easting</b> <b>Elevation</b> <b>Latitude</b> <b>Longitude</b> <b>Units</b>	Feet	<b>Date</b>	14-Jun-12
<b>Dir. Co.</b>	Yates Petroleum Corp.			<b>System</b>	2 - St. Plane
<b>Well Name</b>	Cottonwood Fed 5H Survey			<b>Datum</b>	1983 - NAD83
<b>Location</b>	Sec. 17, 16S-25E			<b>Zone</b>	4302 - Utah Central
<b>Rig</b>				<b>Scale Fac.</b>	
<b>Job</b>				<b>Converg.</b>	

MD	INC	AZI	TVD	INS	EM	VS@91.04	BR	TR	DLS
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
490.00	0.00	0.00	490.00	0.00	0.00	0.00	0.00	0.00	0.00
490: SAN ANDRES, 490'									
1740.00	0.00	0.00	1740.00	0.00	0.00	0.00	0.00	0.00	0.00
1740: GLORIETA, 1740'									
3040.00	0.00	0.00	3040.00	0.00	0.00	0.00	0.00	0.00	0.00
3040: TUBB, 3040'									
3740.00	0.00	0.00	3740.00	0.00	0.00	0.00	0.00	0.00	0.00
3740: ABO, 3740'									
4311.61	0.00	91.04	4311.61	0.00	0.00	0.00	0.00	2.11	0.00
4311.61: KOP, 4312'									
4400.00	10.61	91.04	4399.50	-0.14	8.16	8.16	12.00	0.00	12.00
4500.00	22.61	91.04	4495.15	-0.66	36.68	36.69	12.00	0.00	12.00
4600.00	34.61	91.04	4582.78	-1.53	84.47	84.48	12.00	0.00	12.00
4700.00	46.61	91.04	4658.56	-2.71	149.42	149.45	12.00	0.00	12.00
4800.00	58.61	91.04	4719.18	-4.14	228.72	228.75	12.00	0.00	12.00
4900.00	70.61	91.04	4761.98	-5.78	318.88	318.93	12.00	0.00	12.00
4926.18	73.75	91.04	4769.99	-6.23	343.79	343.85	12.00	0.00	12.00
4926.18: WOLFCAMP, 4926' MD (4770' TVD)									
5000.00	82.61	91.04	4785.10	-7.54	415.96	416.03	12.00	0.00	12.00
5052.19	88.87	91.04	4788.98	-8.48	467.97	468.05	12.00	0.00	12.00
5052.19: TARGET WOLFCAMP, 5052' MD (4789' TVD)									
8906.89	88.87	91.04	4865.00	-78.36	4321.29	4322.00	0.00	0.00	0.00
8906.89: LATERAL TD, 8907' MD (4865' TVD)									



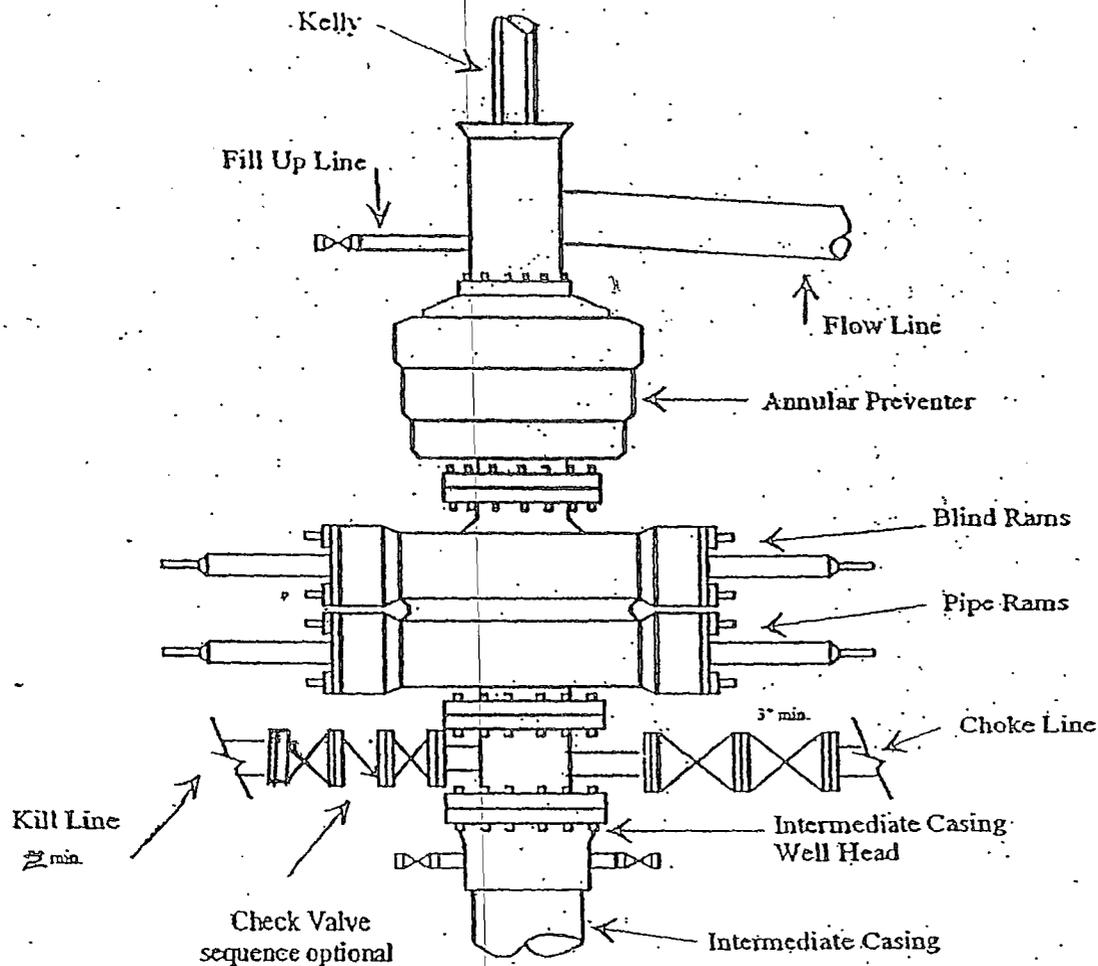




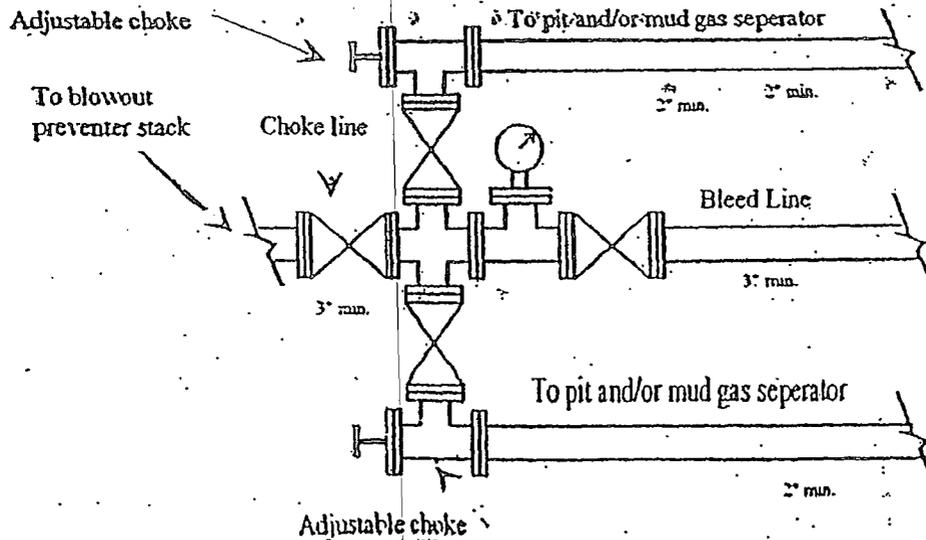
Yates Petroleum Corporation  
Typical 3,000 psi Pressure System  
Schematic  
Annular with Double Ram Preventer Stack

BOP-3

*Exhibit*



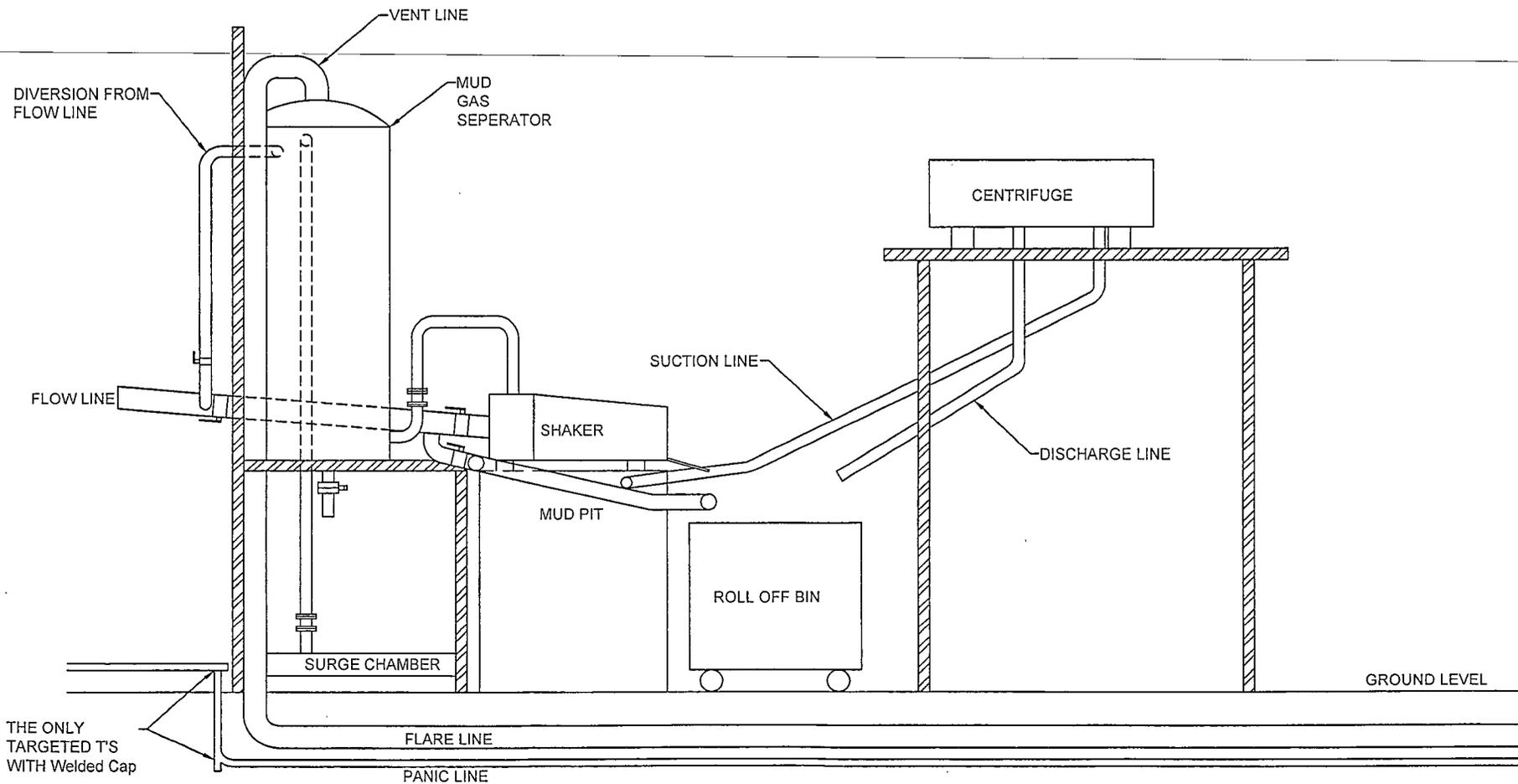
Typical 3,000 psi choke manifold assembly with at least these minimum features



Exhibit

# YATES PETROLEUM CORPORATION

Piping from Choke Manifold  
to the Closed Loop Drilling Mud System



The flare discharge must be 100' from wellhead for non H2S wells and 150' from wellhead for wells expected to encounter H2S.

# Yates Petroleum Corporation

105 S. Fourth Street  
Artesia, NM 88210

## Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan

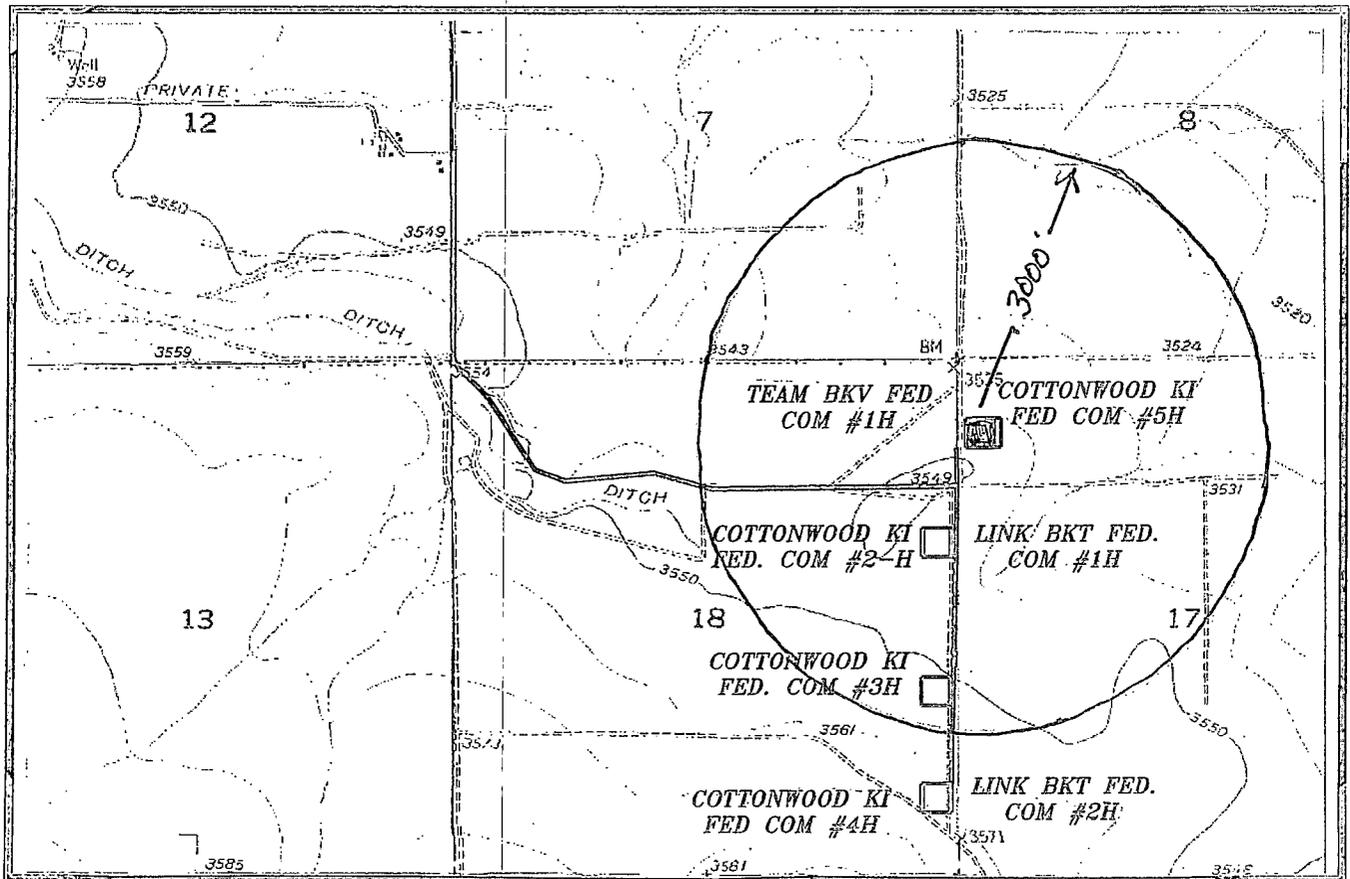
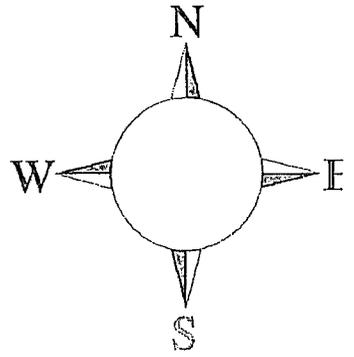
For

Cottonwood KI Federal Com. #5H

760' FNL and 305' FWL  
Section 17, T16S,-R25E  
Eddy County, NM

## Cottonwood KI Federal Com. #5H

This is an open drilling site. H<sub>2</sub>S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H<sub>2</sub>S, including warning signs, wind indicators and H<sub>2</sub>S monitor.



Assumed 100 ppm      3000'  
100 ppm H<sub>2</sub>S concentration shall trigger activation of this plan.

## Emergency Procedures

In the case of a release of gas containing H<sub>2</sub>S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H<sub>2</sub>S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H<sub>2</sub>S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

## Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

## Characteristics of H<sub>2</sub>S and SO<sub>2</sub>

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H <sub>2</sub> S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	2.21 Air = 1	2 ppm	N/A	1000 ppm

## Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

## *Yates Petroleum Corporation Phone Numbers*

---

YPC Office .....	(575) 748-1471
Pinson Mc Whorter/Operations Manager .....	(575) 748-4189
Wade Bennett/Prod Superintendent .....	(575) 748-4236
LeeRoy Richards/Assistant Prod Superintendent .....	(575) 748-4228
Mike Larkin/Drilling .....	(575) 748-4222
Paul Hanes/Prod. Foreman/Roswell .....	(575) 624-2805
Tim Bussell/Drilling Superintendent .....	(575) 748-4221
Artesia Answering Service .....	(575) 748-4302
(During non-office hours)	

### **Agency Call List**

#### **Eddy County (575)**

##### **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

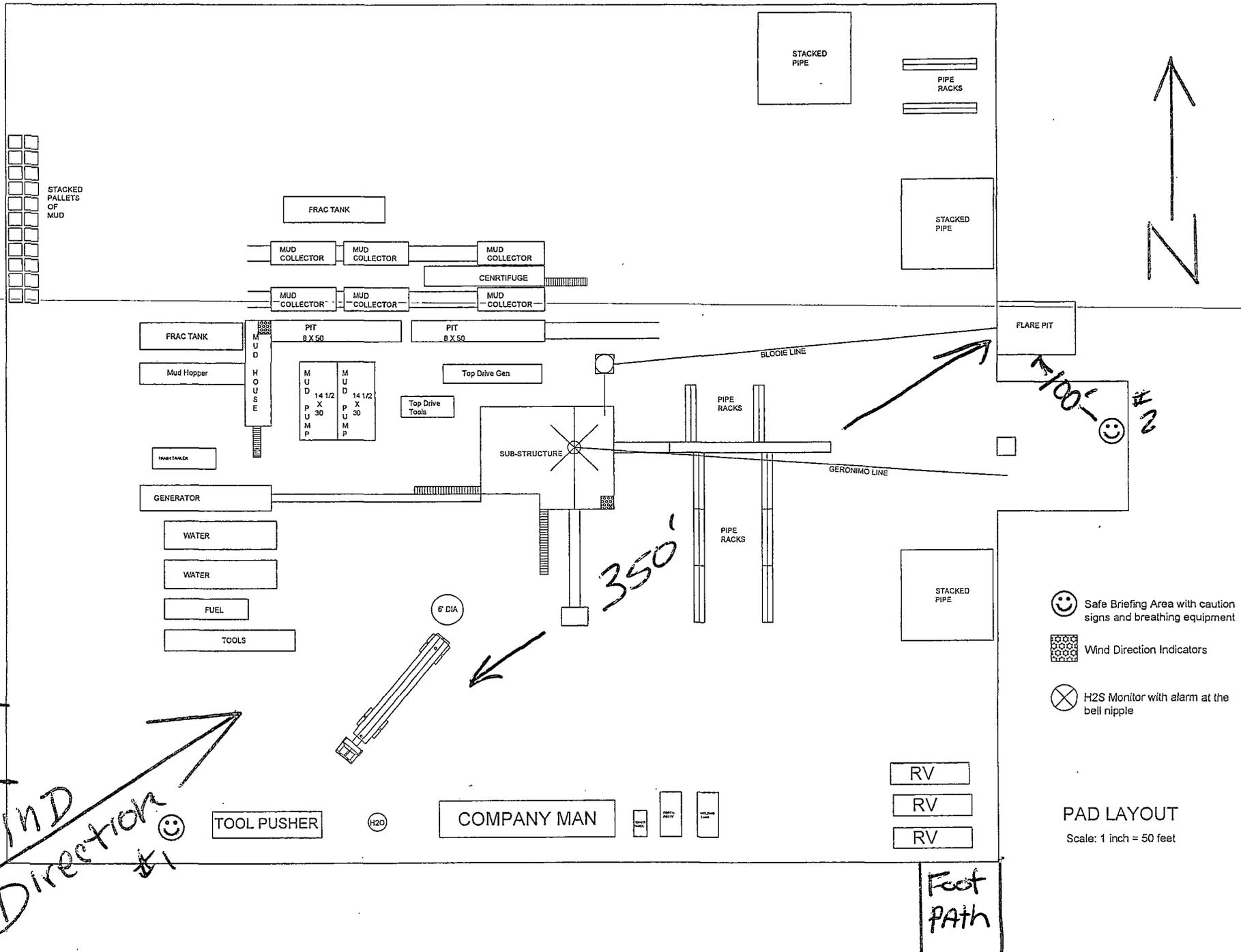
##### **Carlsbad**

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
New Mexico State Emergency Operations Center.....	(505) 476-9635
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 .....	(575) 746-2757
B. J. Services.....	(575) 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

# YATES PETROLEUM CORPORATION



## Yates Petroleum Corporation

### Hydrogen Sulfide Drilling Operation Plan

#### I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H<sub>2</sub>S on metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan and H<sub>2</sub>S Contingency Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operation Plan and the H<sub>2</sub>S Contingency Plan. **The location of this well does not require a Public Protection Plan.**

## II. H2S SAFETY EQUIPMENT AND SYSTEMS

NOTE: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S.

### 1. Well Control Equipment:

- A. Flare line
- B. Choke manifold
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer & rotating head.

### 2. Protective equipment for essential personnel:

- A. Mark II Survive Air (or equivalent) 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

### 3. H2S detection and monitoring equipment:

- A. 3 portable H2S monitors positioned at: Shale Shaker, Bell Nipple, and Rig Floor. These units have warning lights and audible sirens when H2S levels of 10 PPM are reached.

### 4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram (attached).
- B. Caution/Danger signs (attached) shall be posted on roads providing direct access to location. Signs will be painted with high visibility yellow with black lettering of a sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

### 5. Mud program:

- A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

### 6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trim.

**7. Communication:**

- A. Cellular communications in company vehicles.
- B. Land line (telephone) communication at the Office.

**8. Well testing:**

- A. There will be no drill stem testing.

**EXHIBIT**

**DANGER**

**POISONS GAS**

**HYDROGEN SULFIDE**

 **NORMAL OPERATIONS**  
(GREEN)

**CAUTION POTENTIAL DANGER**

(YELLOW)

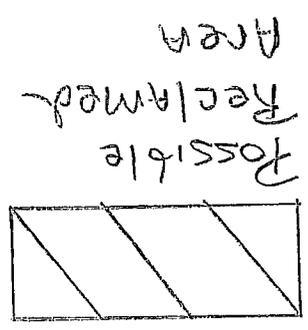
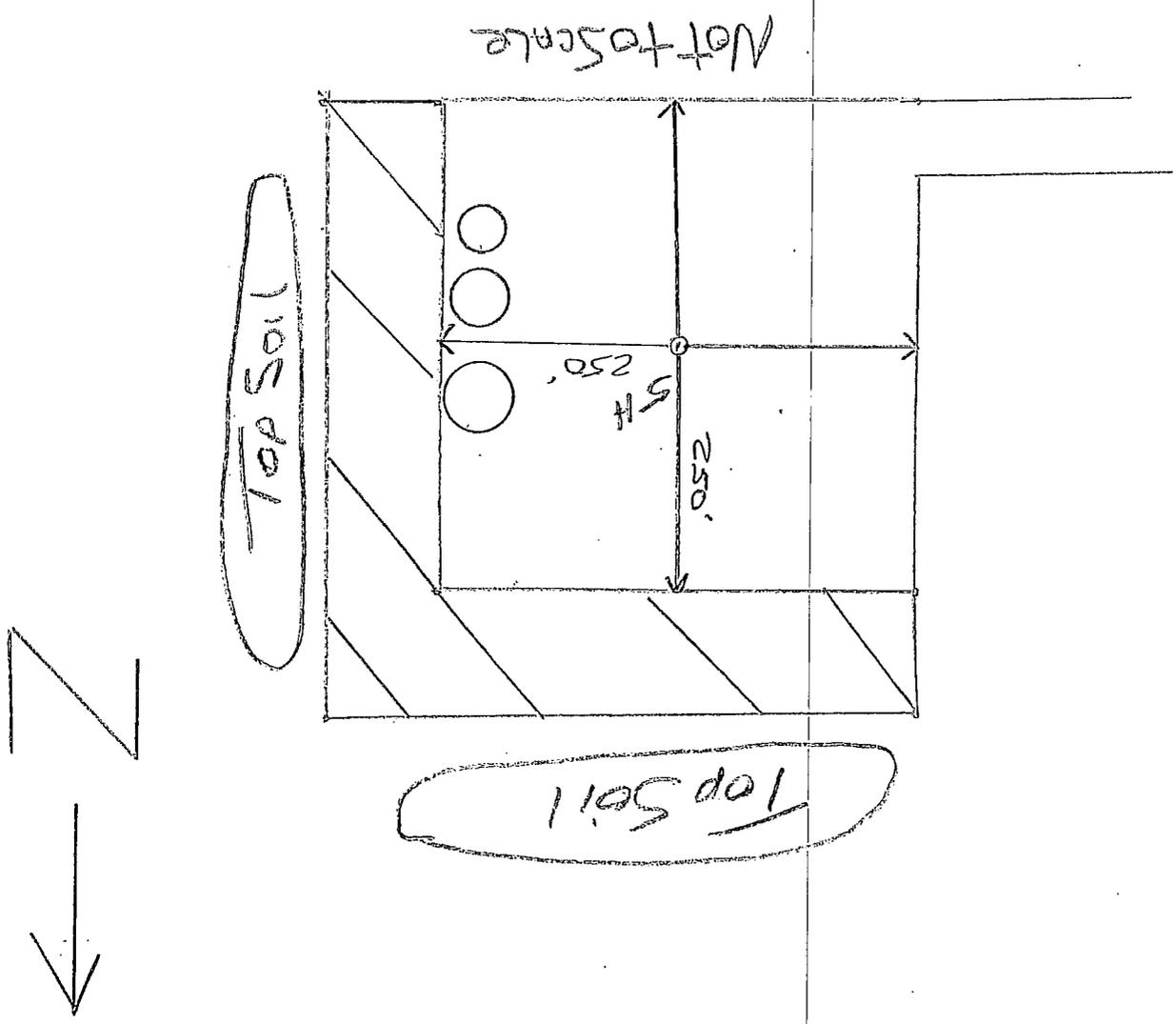
 **DANGER POISONS GAS ENCOUNTERED**  
(RED) **AUTHORIZED PERSONAL ONLY.**  
**LOCATION SECURED.**

**1-575-746-1096**  
**1-877-879-8899**

EDDY COUNTY EMERGENCY NUMBERS  
ARTESIA FIRE DEPT. 575-746-5050  
ARTESIA POLICE DEPT. 575-746-5000  
EDDY CO. SHERIFF DEPT. 575-746-9888

LEA COUNTY EMERGENCY NUMBERS  
HOBBS FIRE DEPT. 575-397-9308  
HOBBS POLICE DEPT. 575-397-9285  
LEA CO. SHERIFF DEPT. 575-396-1196

# Reclamation Plan



## PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Yates petroleum Corp
LEASE NO.:	NM9402
WELL NAME & NO.:	5H Cottonwood KI Fed Com
SURFACE HOLE FOOTAGE:	760' FNL & 305' FWL
BOTTOM HOLE FOOTAGE:	760' FNL & 660' FEL
LOCATION:	Section 17, T.16 S., R.25 E., NMPM
COUNTY:	Eddy County, New Mexico

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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- Permit Expiration**
- Archaeology, Paleontology, and Historical Sites**
- Noxious Weeds**
- Special Requirements**
  - Aplomado Falcon
  - Communitization Agreement
- Construction**
  - Notification
  - Topsoil
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  - Federal Mineral Material Pits
  - Well Pads
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- Road Section Diagram**
- Drilling**
  - Logging Requirements
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  - Well Structures & Facilities
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- Interim Reclamation**
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