

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

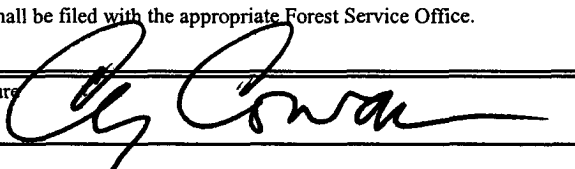
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OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NM-78214</b>	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator <b>Yates Petroleum Corporation</b>		7. If Unit or CA Agreement, Name and No.	
3A. Address <b>105 South Fourth Street Artesia, New Mexico 88210</b>		8. Lease Name and Well No. <b>Anemone ANE Federal #6</b>	
3b. Phone No. (include area code) <b>(505) 748-1471</b>		9. API Well No. <b>30-015-33043</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>1232' FNL and 1980' FWL Surface Location</b> At proposed prod. Zone <b>660' FNL and 1980' FWL Bottom Hole Location</b>		10. Field and Pool, or Exploratory <b>Indian Basin Upper Penn Assoc</b>	
14. Distance in miles and direction from nearest town or post office* <b>Approximately 32 northwest of Carlsbad, New Mexico.</b>		11. Sec., T., R., M., or Blk, and Survey or Area <b>Undes. McKittrick Hills; Manaw, West</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>1232'</b>		12. County or Parish <b>Eddy County</b>	
16. No. of Acres in lease <b>720</b>		13. State <b>NM</b>	
17. Spacing Unit dedicated to this well <b>N/2</b>		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>1140'</b>	
19. Proposed Depth <b>10600'</b>		20. BLM/BIA Bond No. on file <b>585997</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>4195' 4585' GL</b>		22. Approximate date work will start* <b>ASAP</b>	
23. Estimated duration <b>45 days</b>		24. Attachments <b>CARLSBAD CONTROLLED WATER BASIN</b>	

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 office.

25. Signature 	Name (Printed/Typed) <b>Cy Cowan</b>	Date <b>7/25/03</b>
Title: <b>Regulatory Agent</b>		
Approved by (Signature) <b>/s/ Mary J. Rugwell</b>	Name (Printed/Typed) <b>/s/ Mary J. Rugwell for Leslie A Theiss</b>	Date <b>30 SEP 2003</b>
Title <b>FIELD MANAGER</b>	Office <b>CARLSBAD FIELD OFFICE</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.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

**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

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 Indian Basin Upper Penn Associated
Property Code	Property Name ANEMONE "ANE" FEDERAL	Well Number 6
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4195

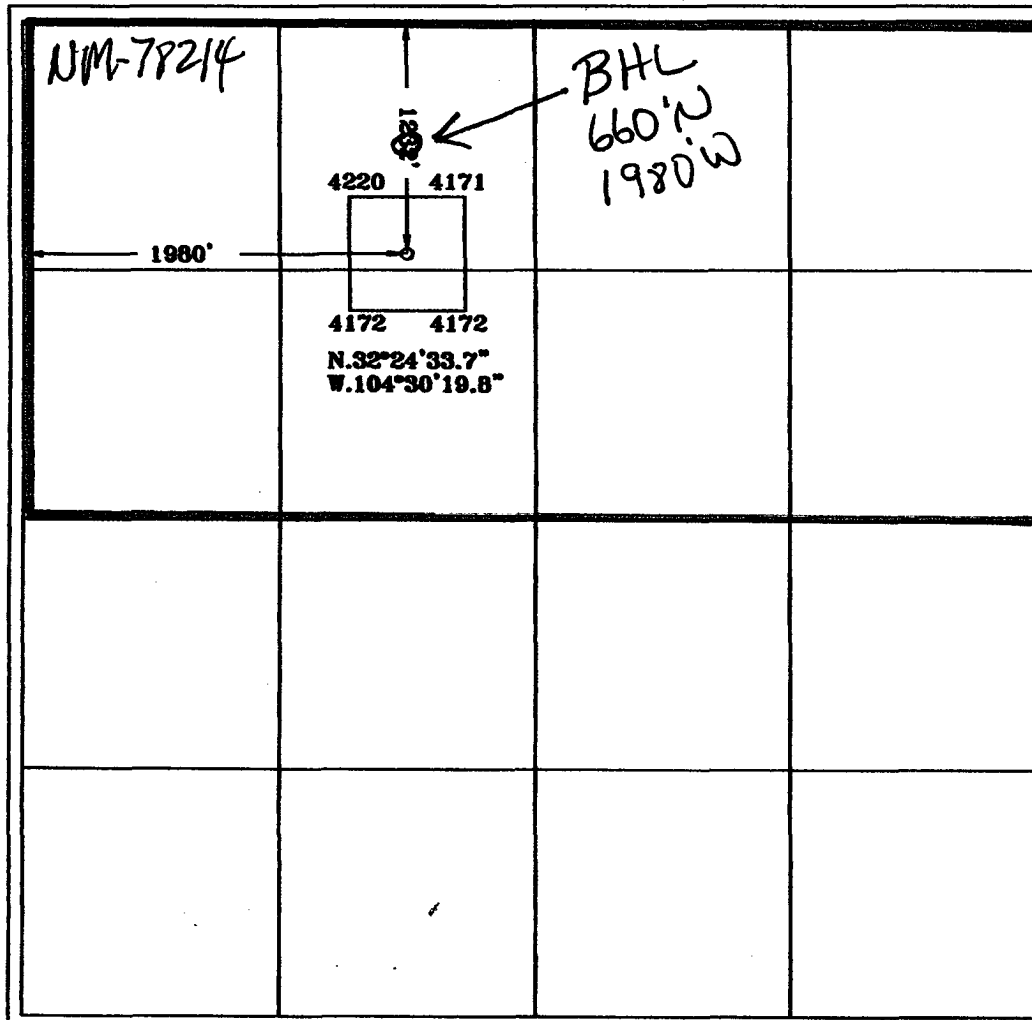
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	9	22S	24E		1232	NORTH	1980	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
C	9	22S	24E		660'	North	1980'	West	Eddy
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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Cy Cowan*  
Signature

Cy Cowan

Printed Name

Regulatory Agent

Title

July 24, 2003

Date

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

7/15/2003

Date Surveyed

Signature of  
Professional Surveyor

HELEN L. JONES  
NEW MEXICO  
3640  
ANEMONE  
GENERAL SURVEYING COMPANY

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

**YATES PETROLEUM CORPORATION**  
**Anemone ANE Federal #6**  
1232' FNL and 1980' FWL – Surface Location  
660' FNL and 1980' FWL – Bottom Hole Location  
Sec. 9-T22S-R24E  
Eddy County, New Mexico

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

Queen	370'	Base of Dolomite	8449'
San Andres	474'	Lower Canyon Lime	8507'
Bone Spring	3444'	Strawn	9029'
Glorietta	3539'	Atoka	9687'
2 <sup>nd</sup> Bone Springs	4021'	Upper Morrow	10073'
3 <sup>rd</sup> Bone Springs	7252'	Middle Morrow	10149'
Wolfcamp	7402'	Lower Morrow	10345'
Cisco Canyon Lime	7997'	Base Morrow Clastics	10435'
Cisco Canyon Dolomite	8028'	TD	10600'
Oil/Water Contact	8285'		

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

Water: 250' - 300'  
Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 5000 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>	WITNESS
14 3/4"	9 5/8"	36#	J-55	ST+C	0-1800'	1800'	
8 3/4"	7"	26#	L-80	LT+C	0-1500'	1500'	
8 3/4"	7"	26#	J-55	LT+C	1500'-7000'	5500'	
8 3/4"	7"	26#	N-80	LT+C	7000'-9300'	2300'	
8 3/4"	7"	26#	HCP-110	LT+C	9300'-10600'	1700'	

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

**B. CEMENTING PROGRAM:**

Surface casing: 250 sx H (YLD 1.53 WT 14.6), 900 sx Lite C (YLD 1.9 WT 12.7) Tail in with 200 sx C Neat+ 2% CaCl<sub>2</sub> (YLD 1.9 WT 12.7).

Production Casing Stage I: 550 sx Super C Modified (YLD 1.63 WT 13) DV tool @ 6000'.

Production Casing Stage II: 400 sx Lite C (YLD 2.05 WT 12.7). Note, may use nitrified mud cement job if conditions permit.

**5. Mud Program and Auxiliary Equipment:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1800'	FW/Air	8.4	28	N/C
1800'-7900'	Cut Brine	8.8-9.0	28	N/C
7900'-10000'	Cut Brine/Starch	9.0-9.4	28-32	<15
10000'-TD	Salt Gel/Starch	9.4-9.8	34-36	<12

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 from intermediate casing to TD.

Logging: Platform Express HALS NGT, possible FMI TBD.

Coring: None anticipated.

DST's: As warranted.

**7. Abnormal Conditions, Bottom hole pressure and potential hazards:**

Anticipated BHP:

From: 0	To: 1800'	Anticipated Max. BHP	700 PSI.
From: 1800'	To: 10600'	Anticipated Max. BHP	5400 PSI.

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: Possible Canyon.

H<sub>2</sub>S Zones Anticipated: Possible in Canyon.

Maximum Bottom Hole Temperature: 178 F.

**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.

**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:** Under this APD to be included for approval is one (1) 4" X-42 steel surface flowline having a working pressure of 100# PSI and a volume of 1000 MCFPD and 3000 BWPD. This flowline will follow the proposed access road route from the southwest corner of the proposed Anemone Federal #6 to the Anemone ANE Federal #2 Battery a distance of approx. .2 of a mile. We also are requesting one (1) 3 phase 7400 volt raptor proof powerline which will also follow the access route for approx. .1 of a mile then it will turn southwest and be connected with an existing powerline. Please note attached plat showing both routes of these requests.

**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 600' x 600' 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 well site 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 the 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.

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**  
**Yates Petroleum Corporation**  
**Anemone ANE Federal #6**  
1232' FNL and 1980' FWL – Surface Location  
660' FNL and 1980' FWL – Bottom Hole Location  
Sec. 9-T22S-R24E  
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 well site is located approximately 32 miles northwest of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go north of Carlsbad on Highway 285 for 12.5 miles to Highway 137. Turn west for 14 miles, and then turn south on lease road for 1.9 miles. Road will fork. Take right fork and go 0.6 of a mile to the Anemone #2 Battery. Follow road to the southeast corner of the Anemone ANE Federal #2 battery. The new access road will start here going southeast for approximately .2 of a mile.

2. PLANNED ACCESS ROAD

The new access road will be approximately .2 of a mile going southeast to the southwest corner of the proposed location.

3. LOCATION OF EXISTING WELL

- A. There is 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 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.

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:

The dirt contractor will locate closest pit and will obtain any permits and materials for needed for construction.

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

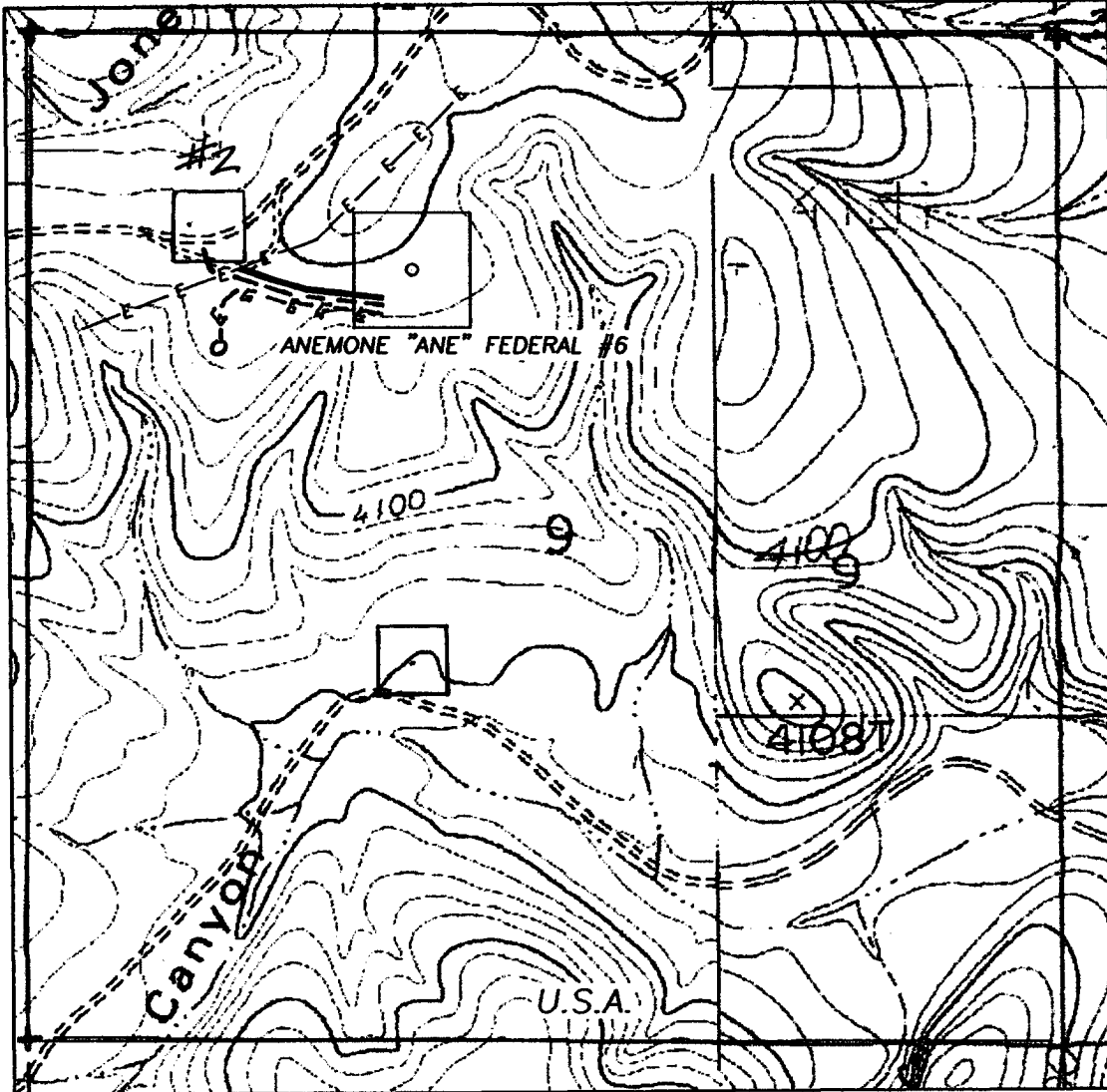
14. CERTIFICATION:

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.

7/24/03

  
Regulatory Agent

SECTION 9, TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



PROPOSED ANCILLARY FACILITIES:

- Surface steel flowline route.
- E-E-E-E- Electric powerline route.
- \_\_\_\_\_ Access road.

Exhibit for #8 of the  
Multi-Point Surface Use  
And Operations Plan.

1000' 0 1000' 2000'  
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

HERSCHEL L. JONES, R.L.S. No. 3640

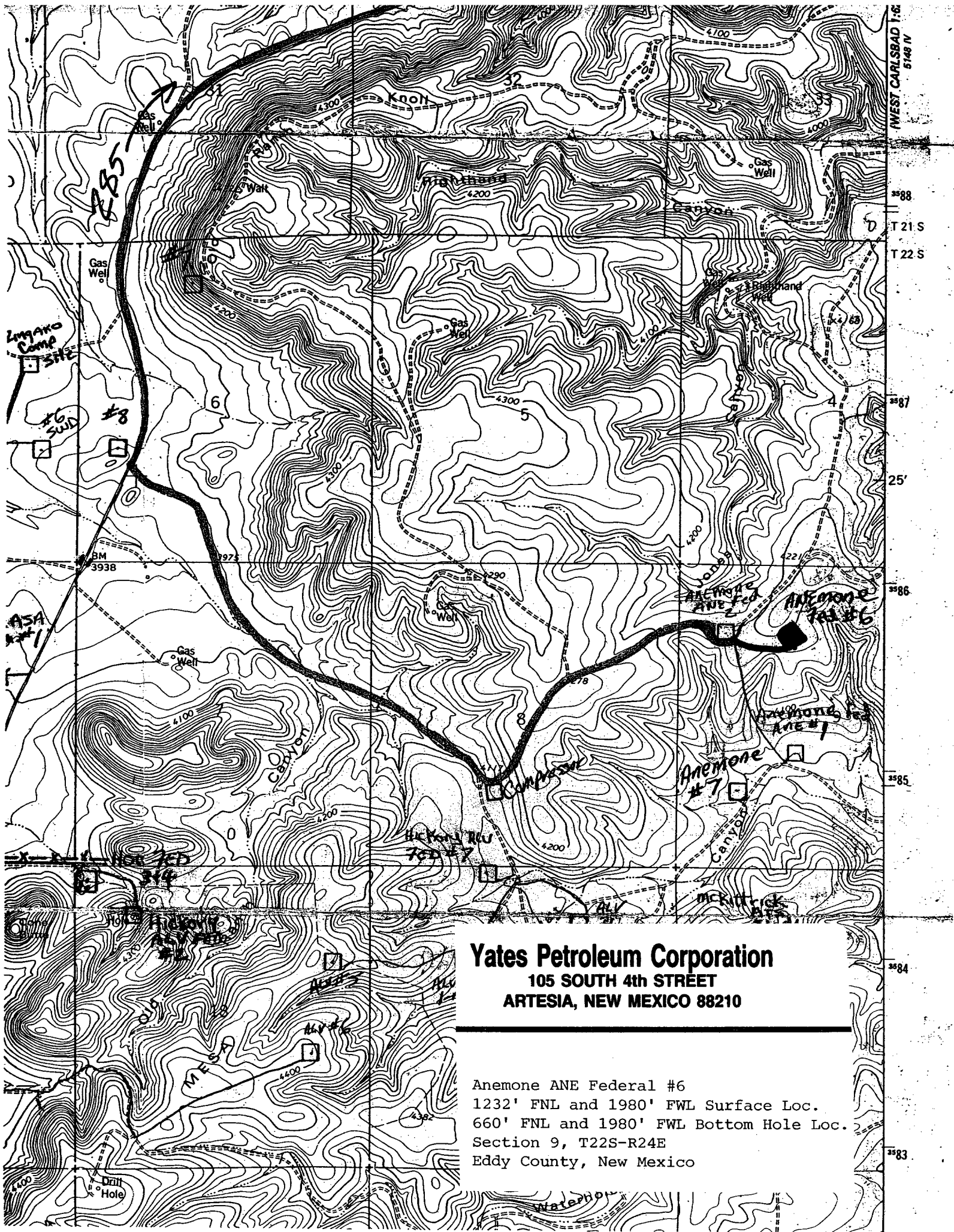
GENERAL SURVEYING COMPANY P.O. BOX 1928  
LOVINGTON, NEW MEXICO 88260

YATES PETROLEUM CORP.

LEASE ROAD TO ACCESS THE YATES ANEMONE "ANE"  
FEDERAL #6 WELL, LOCATED IN SECTION 9, TOWNSHIP 22  
SOUTH, RANGE 24 EAST, NMPM, EDDY COUNTY, NEW  
MEXICO.

Survey Date: 7/15/2003	Sheet 1 of 1 Sheets
Drawn By: Ed Glevins	W.O. Number
Date: 7/15/03	Scale 1" = 1000' ANOMENE 6





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

Anemone ANE Federal #6  
1232' FNL and 1980' FWL Surface Loc.  
660' FNL and 1980' FWL Bottom Hole Loc.  
Section 9, T22S-R24E  
Eddy County, New Mexico

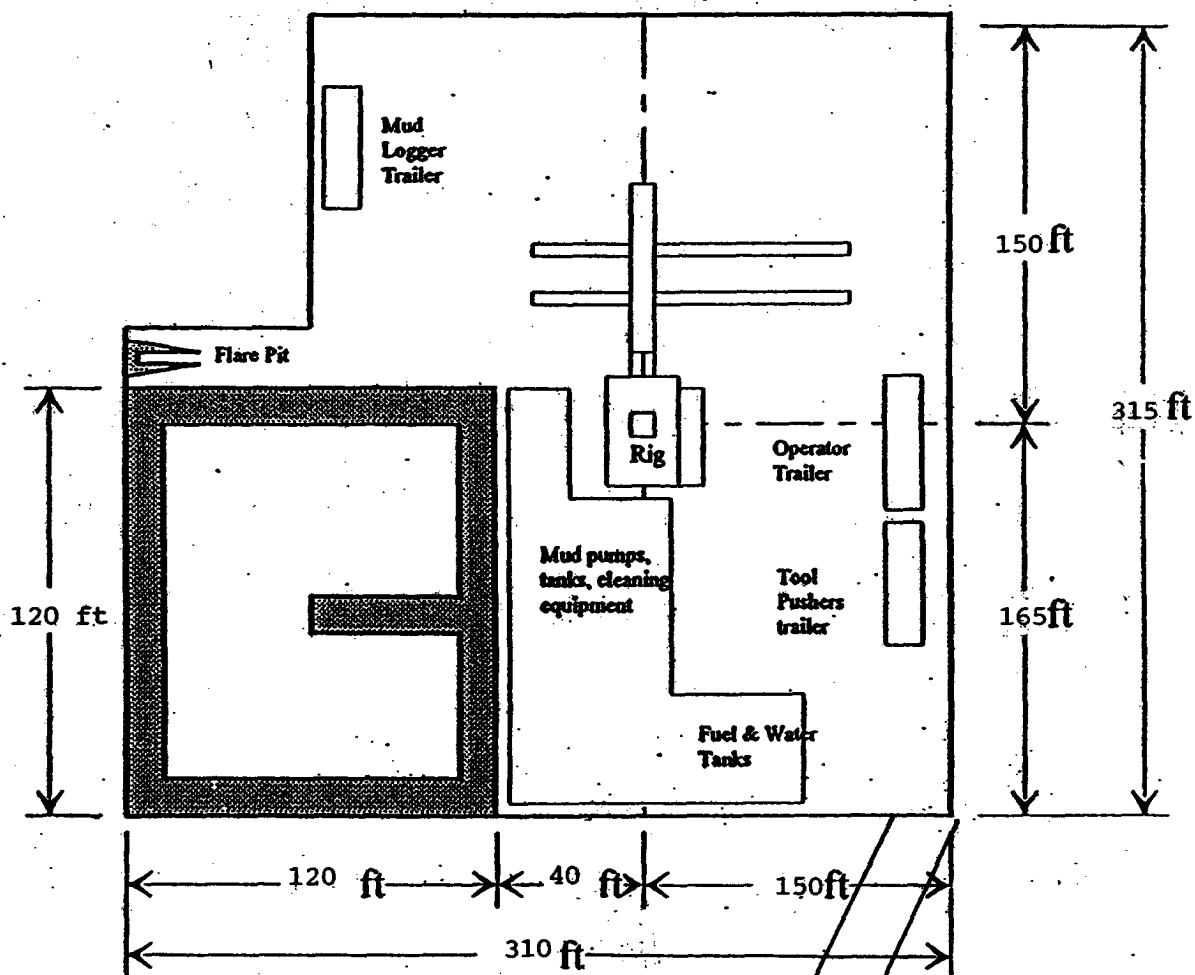
PB - L1

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

*Pits Northwest*

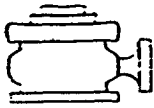
**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

Anemone ANE Federal #6  
1232' FNL and 1980' FWL Surface Loc.  
660' FNL and 1980' FWL Bottom Loc.  
Section 9, T22S-R24E  
Eddy County, New Mexico



Distance from Well Head to Reserve Pit will vary between rigs

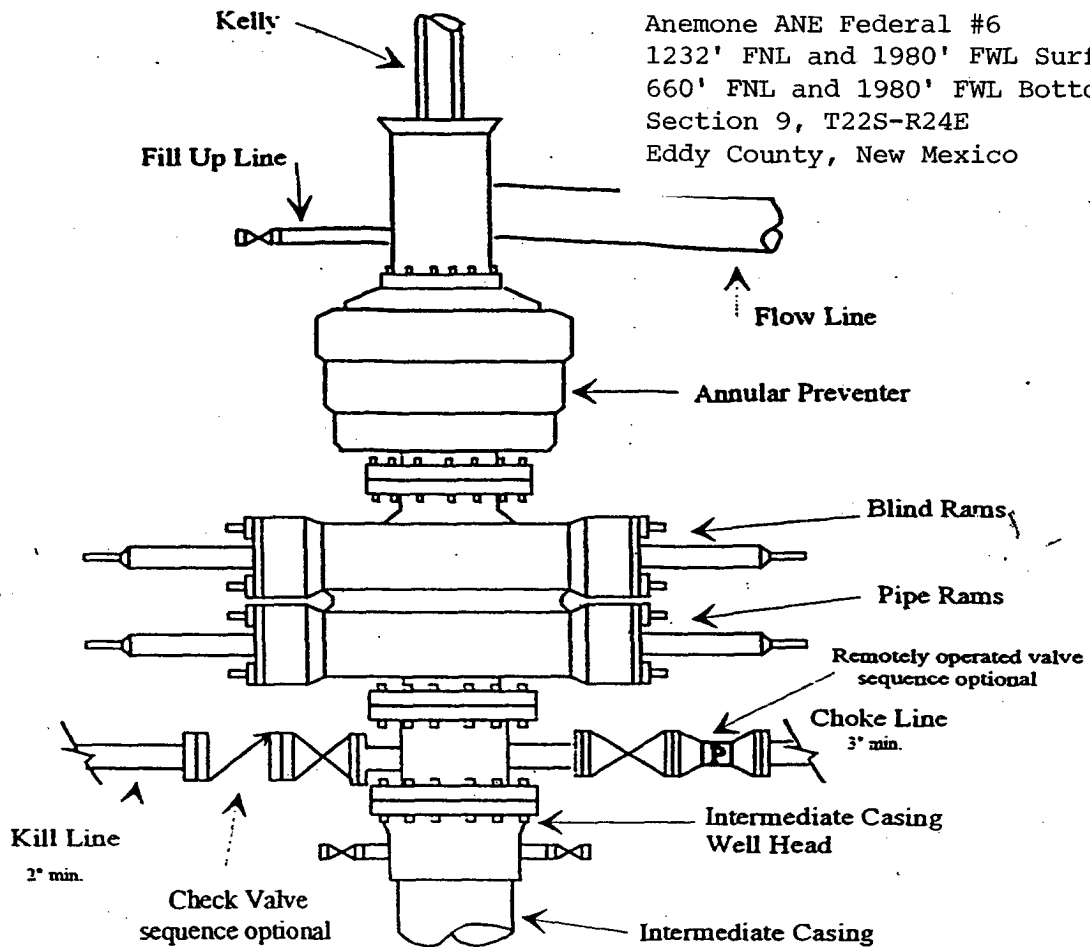
The above dimension should be a maximum



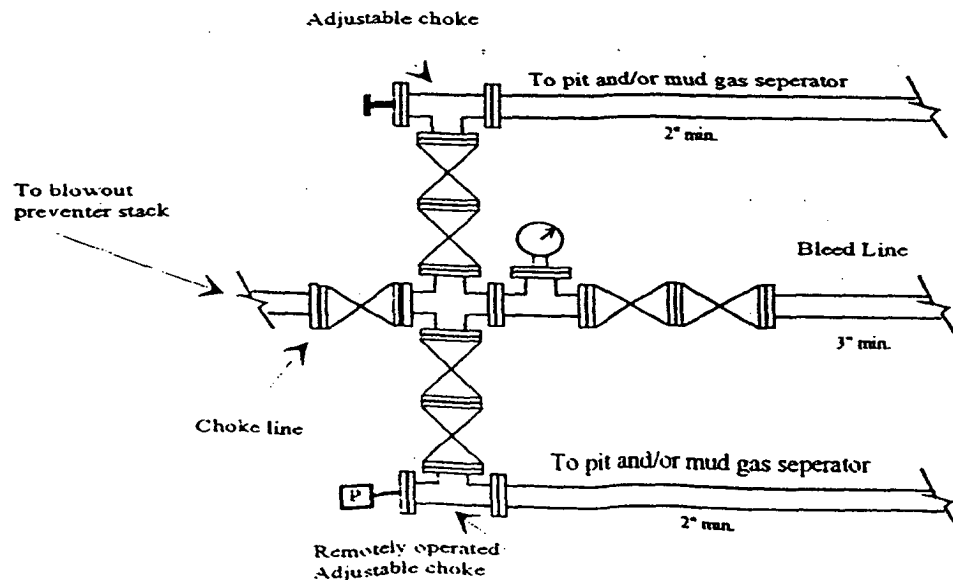
# Yates Petroleum Corporation

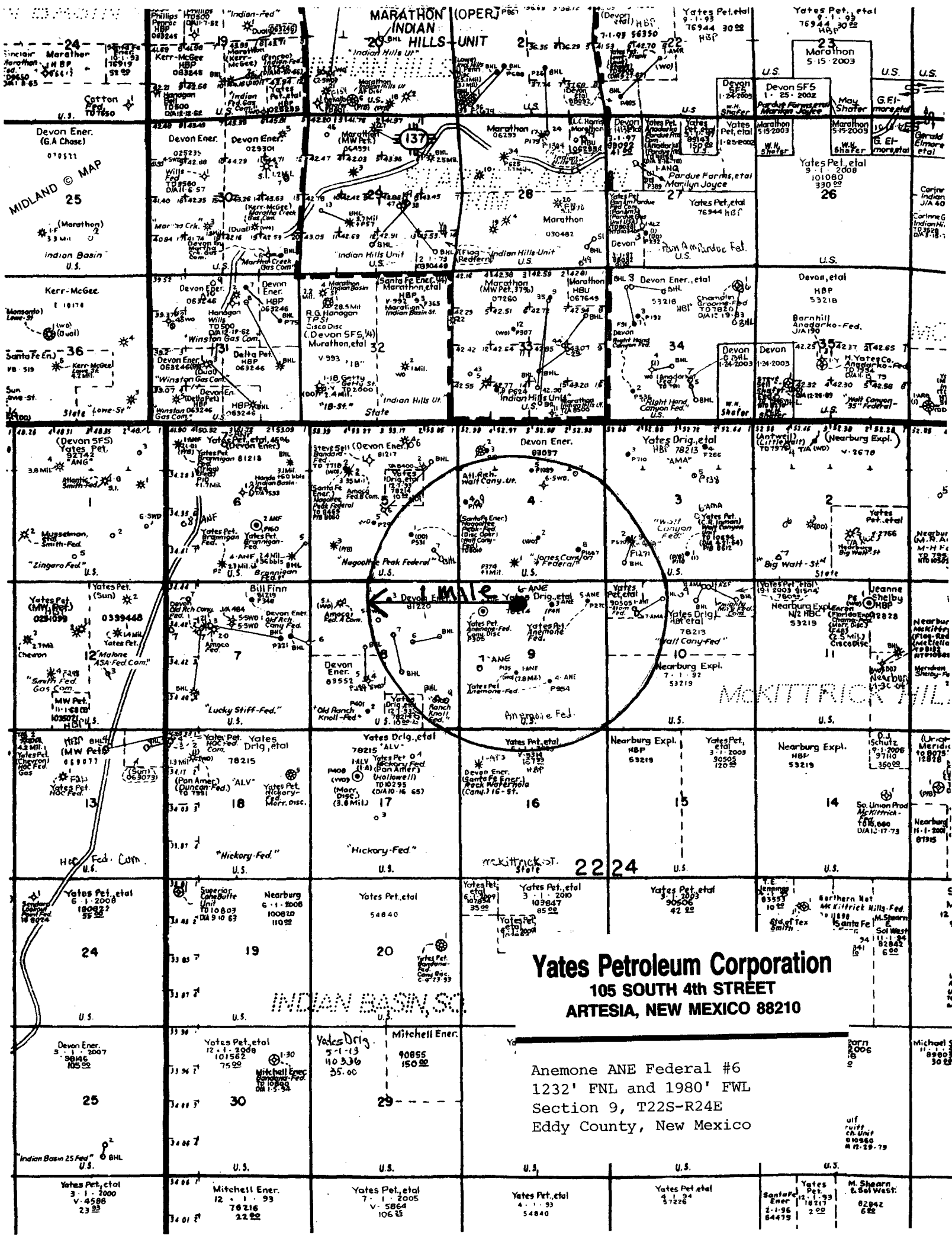
BOP-4

## Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features





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

Anemone ANE Federal #6  
1232' FNL and 1980' FWL  
Section 9, T22S-R24E  
Eddy County, New Mexico

# **Yates Petroleum Corporation**

**105 S. Fourth Street  
Artesia, NM 88210**

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

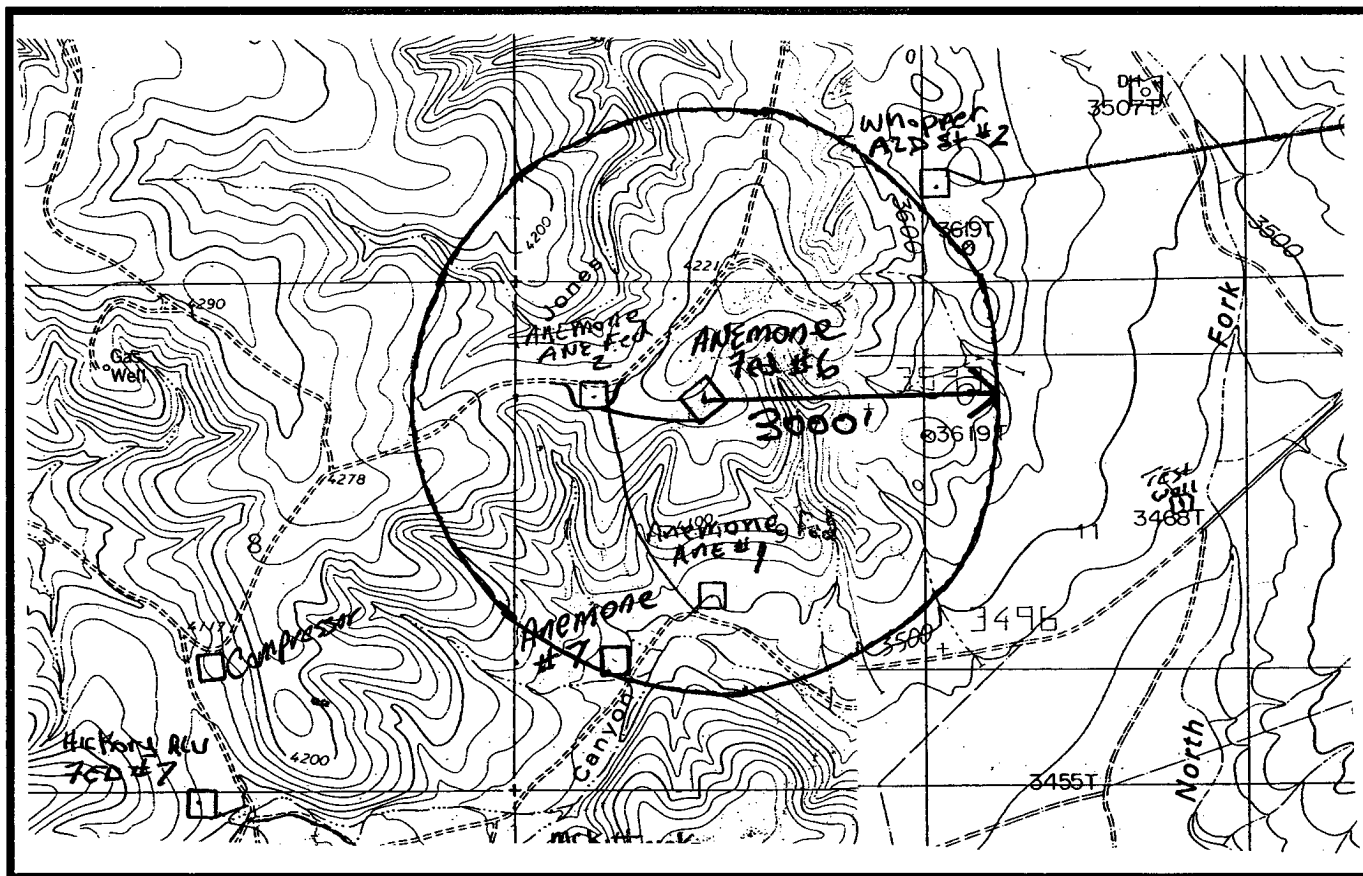
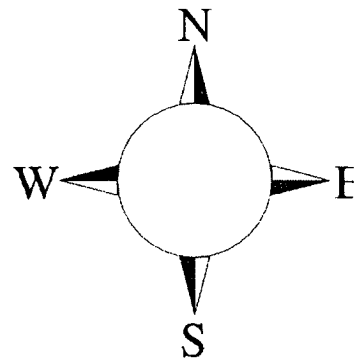
**For**

### **Anemone ANE Federal #6**

**1232' FNL and 1980' FWL Surface Location  
660' FNL, 1980' FWL Bottom Hole Location  
Sec-9, T-22S, R-24E  
Eddy County NM**



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.



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



## ***Yates Petroleum Corporation Phone Numbers***

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YPC Office ..... (505) 748-1471  
Pinson McWhorter/Operations Manager ..... (505) 748-4189  
Darrel Atkins/Production Manager ..... (505) 748-4204  
Ron Beasley/Prod Superintendent ..... (505) 748-4210  
Al Springer/Drilling ..... (505) 748-4225  
Paul Hanes/Prod. Foreman/Roswell ..... (505) 624-2805  
Jim Krogman/Drilling Superintendent..... (505) 748-4215  
Artesia Answering Service ..... (505) 748-4302  
(During non-office hours)

### **Agency Call List**

#### **Eddy County (505)**

##### **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  
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 ..... (505) 746-2757  
B. J. Services..... (505) 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



## Rescue & First Aid For Victims Of Hydrogen Sulfide Poisoning

**Do not panic!**

**Remain calm and think!**

Don (put on) breathing apparatus.

Remove victim to fresh air as quickly as possible (i.e. Upwind from source or crosswind to achieve upwind). Do not run downwind.

Provide artificial respiration and/or CPR as necessary. (Use proper technique of turning your head after each breath to avoid inhaling exhaled H<sub>2</sub>S). If victim's clothing is contaminated with fluid that contains H<sub>2</sub>S then strip them to the waist.

Provide for prompt medical attention.

Notify the medical personnel beforehand that the victim has been poisoned by H<sub>2</sub>S.

In addition to basic First Aid, everyone on location should have a good working knowledge of CPR.

## Physical Effects of Hydrogen Sulfide

Concentrations		Physical Effects
0.001%	10 ppm	obvious, and unpleasant odor- safe for 8 hours exposure
0.005%	50 ppm	cause some flu-like symptoms and can cause pneumonia
0.01%	100 ppm	kills sense of smell in 3-15 minutes – may sting eyes and throat.
0.02%	200 ppm	kills sense of smell rapidly, severely stings eyes and throat, severe flu-like symptoms 4 or more hours may cause lung damage and/or death.
0.06%	600 ppm	unconscious quickly, death will result if not rescued promptly.

\* at 15.00 psia and 60 deg F.

### CAUTION:

Hydrogen Sulfide is a colorless, transparent gas and is flammable. It is heavier than air and may accumulate in low places.



## **H2S Emergency Contingency Plan For Field Operation**

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### **Alert and account for all personnel on location.**

- Move away from the source of the H2S and get out of the affected area. Move upwind from the well bore. Avoid inhalation of H2S.
- Don proper personal breathing equipment – 30 min. SCBA.
- Assist any personnel in distress using the ‘buddy system’
- Alert other affected personnel on location.
- Proceed to pre-designated meeting area.
- Account for all personnel on location.

Take action to control the release of the H2S. Eliminate all possible sources of ignition.

### ***Do not re-enter the affected area without appropriate breathing equipment.***

- Take all appropriate measures to shut in the H2S gas source.
- Put out all open flames in the affected area and shut down all motors.
- Notify Supervisors.

The YPC Supervisor that will assess the situation and assign duties to various persons to bring the situation under control. Notifications of local law enforcement agencies, residents, and emergency vehicles will be assigned by the YPC Office.

Any press inquiries are to be referred to the YPC main office at 105 S Fourth Street, Artesia NM 88210. No statement to the Public or Media will be made by anyone other than management or a spokesperson authorized by management.

### **If The Above Actions Cannot Be Safely Accomplished:**

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#### **Alert The Public That May Be Immediately Affected.**

- Down wind residences.
- Highway or street traffic that may be affected.

**Contact The Appropriate Government Agency(s) (911, Sheriff, Railroad Commissions, City Police Etc.).**

- State police – if on or near a state road
- Sheriff's dept. – if on or near a county road  
(Requests help to evacuate the public if necessary and to help maintain roadblocks)

- Make any necessary recommendations, wind direction, affected area, etc.
- Start evacuation procedures where appropriate.
- Proceed with best plan (at the time) to regain control of the leak.
- Maintain tight security and safety procedures.

### **Public Evacuation Plan**

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1. When the YPC supervisor determines the H<sub>2</sub>S or other emergency cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.
2. The supervisor will notify local government agencies that a hazardous condition exists and evacuation needs to be implemented.
3. A safety person who has been trained in the use of H<sub>2</sub>S detection equipment and self-contained breathing apparatus shall monitor H<sub>2</sub>S concentrations, heat exposure, wind directions, and area of exposure. He/she will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area shall be determined from the information gathered.
4. Law enforcement shall be called to aid in setting up and maintaining roadblocks. They will also aid in evacuation of the public if necessary, but they shall not be asked to enter the hazardous zone.
5. Constant communications shall be maintained between company personnel and law enforcement safe for re-entry.
6. After the discharge of gas has been controlled, the safety person will determine when the area is safe for re-entry.

All atmospheric monitoring equipment shall have a minimum capability of reading H<sub>2</sub>S, oxygen, and flammability values.

Directional Drilling Procedure for Yates Petroleum Corp. – Anemone ANE Fed. #6.

Anemone ANE Federal #6 will be directionally drilled to a legal bottom hole location.

A 200 square foot target has been defined. The center of the target is 760' FNL, 1,880' FWL, S9 T22S R24E.

After setting 9 5/8" surface casing, a 8 3/4" hole will be drilled vertically to 5,222'. It will then be kicked off, building angle at the rate of 1 1/2\* per 100', until 20\* and an Azimuth of 348.00 is reached, projected @ 6,556', measured depth.

Maintain 20\* & 348.00 Azimuth until 6,619'.

Start drop at rate of 1 1/2\* / 100', have the well bore vertical by 7,953'.

Keep well bore vertical and drill to projected td @ 10,658' MD.

