

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

<div style="text-align: center;">NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION</div>				<div style="text-align: right;">16</div>
				<div style="text-align: right;">17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: right;"><i>Cy Cowan</i></p> <p>Signature</p> <p>Cy Cowan</p> <p>Printed Name</p> <p>Regulatory Agent</p> <p>Title</p> <p>09/11/03</p> <p>Date</p>
<div style="display: flex; justify-content: space-between;"> <div>NM-87314</div> <div>V-4816</div> </div>				<div style="text-align: right;">18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>REFER TO ORIGINAL PLAT</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>_____ Certificate Number</p>
<div style="display: flex; justify-content: space-between;"> <div> <div style="text-align: right;">660'</div> <div style="border-bottom: 1px solid black; width: 100px;"></div> <div style="text-align: left;">660'</div> </div> </div>				

YATES PETROLEUM CORPORATION
BLOWN GASKET AVX FEDERAL COM. #1 (re-entry)
660' FSL & 660' FWL
Section 21, T18S-R24E
Eddy County, New Mexico

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

Tubb	3176'	Canyon	7204'
Abo	3823'	Strawn	7805'
Wolfcamp	5193'	Morrow	8199'
Cisco	6377'	TD	9000'

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

Water: 200'-300'
Oil or Gas: All potential zones

3. Pressure Control Equipment: BOPE will be installed on the 8 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:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Interval</u>	<u>Length</u>
15"	11 3/4"	48#	H-40		465'	In Place
11"	8 5/8"	24 & 32#	K-55	ST&C	2099'	In Place
7 7/8"	8 5/8"	15.5# & 17#	N-80-J55		9750'	In Place *

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

* CUT OFF @ 5291

5x2?
(5x2)

B. CEMENTING PROGRAM:

Surface casing: Cement with 450 sacks Class "C" in place.

Intermediate Casing: 800 sacks Class "C" in place.

Production Casing: 1000 sacks Class "C" or enough to bring cement up into the 8 5/8" casing.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-8750'	Gelled Cut Brine	N/A	35-40	<10-15cc
KCL water in cased hole.				

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples out from under surface casing to TD.

Logging: CNL/LDT, W/NGT TD-surface casing: W/GR-CNL TD surface casing: DLL-MSFL TD-surface casing: BHC Sonic TD-surface casing.

Coring: None anticipated.

DST'S: As warranted.

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

Anticipated BHP:

From: 0	TO: 450'	Anticipated Max. BHP: 200 PSI
From: 450'	TO: 4000'	Anticipated Max. BHP: 2300 PSI
From: 4000'	TO: 8700'	Anticipated Max. BHP: 4000 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 170 F

8. ANTICIPATED STARTING DATE:

Plans are to re-enter this well as soon as possible after receiving approval. It should take approximately 20 days to re-enter the well with completion taking another 7-10 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
BLOWN GASKET AVX FEDERAL COM. #1 (re-entry)
660' FSL & 660' FWL
Section 21, T18S-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 wellsite is located approximately 11 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 HWY 285 for approximately 7 miles to Four Dinkus Road. (CR 39) Turn west and go approximately 5.6 miles to the Four Dinkus Ranch. From the ranch house continue west for approximately 4 miles. The road will fork, take left fork and go approximately 1 mile crossing draw and going across cattle passing windmill on left. From the windmill continue south for .9 of a mile to a cattle guard. Cross cattle guard and go approximately .6 of a mile. The existing access road starts here going north.

2. PLANNED ACCESS ROAD.

- A. The existing access is approximately 0.2 of a mile in length from the point of origin to the southwest of the drilling pad. The road will lie in a south to north direction.
- B. N/A
- C. N/A
- 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 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.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The fresh 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 acquire any materials from the closest source when necessary for the construction of the well pad.

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, and the access road approach.
- B. The reserve pits will be plastic lined.
- C. Existing well pad is in place and will be upgraded.

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: Four Dinkus Ranch
Artesia, 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.
- C. In regard to the water pipeline going across the north side of the location I discussed The water line with Mr. Darrell Brown, Operations Manager, of the Four Dinkus Ranch and received his permission to build the location on top of the water line.

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:

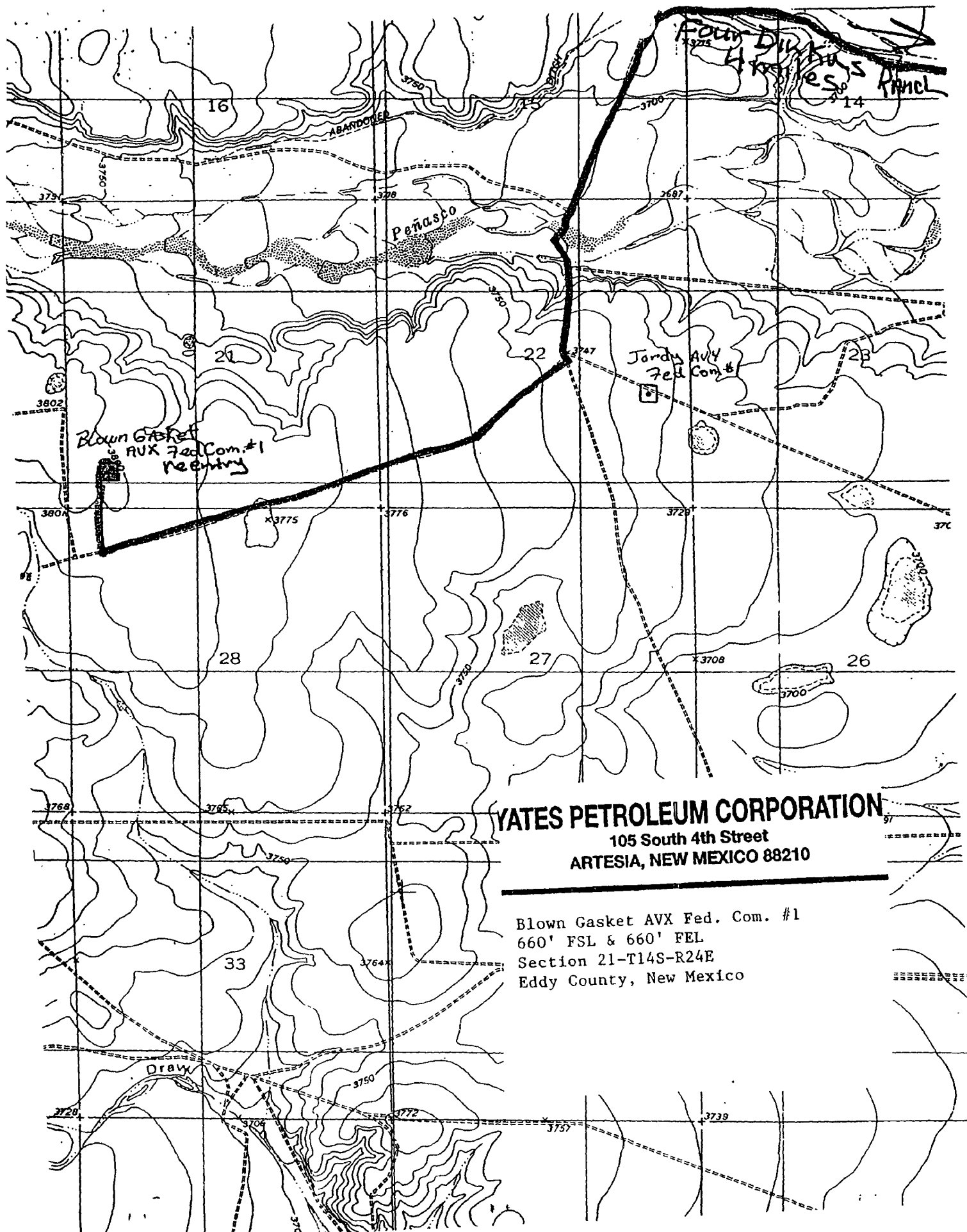
Jim Krogman, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

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.

09/16/2005

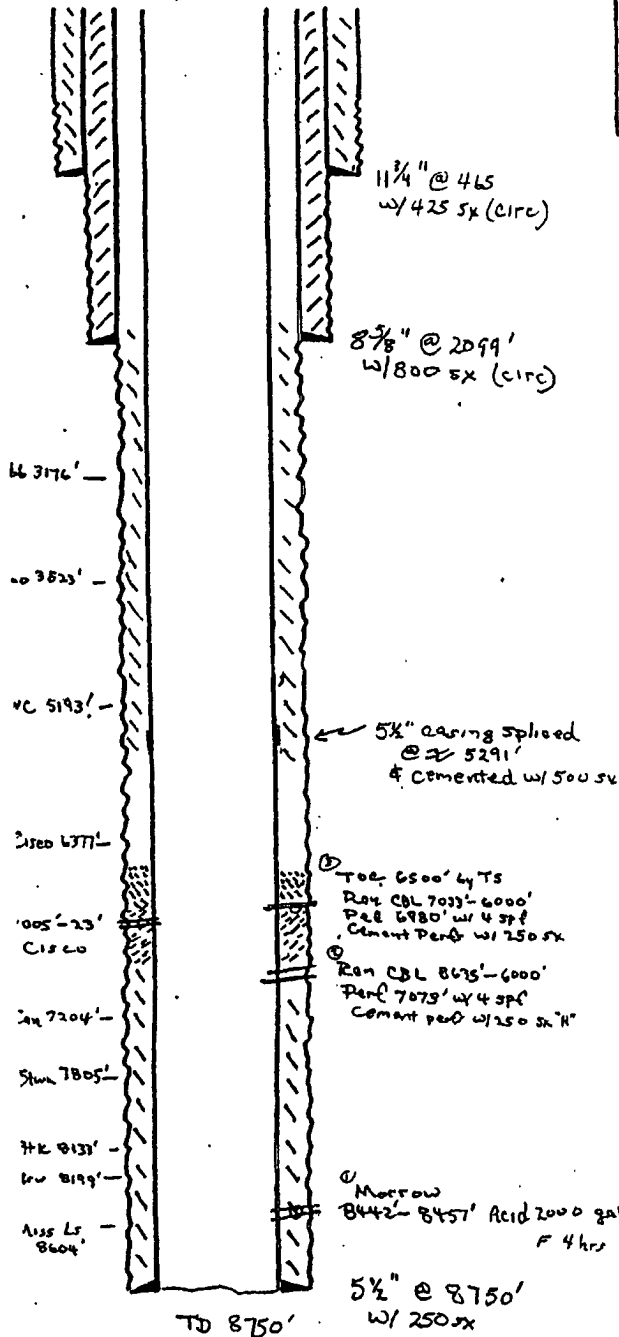

Regulatory Agent



ELI NAME: Midwest Oil Co
 LOCATION: Federal J #1 FIELD AREA: _____
 DCATION: 660' FS & WL Sec 21, T18S, R24E
 L: 3801 ZERO: _____' AGL: _____'
 3: _____' ORIG. DRLG./COMPL. DATE: _____
 COMMENTS: Spud: 9-11-70

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
11 3/4" 42# H-40	465'
8 5/8" 32# 24# K-55 STD C	2099'
5 1/2" 17# 15.5# N80 J55	8750'



⑥ Perf 7005'-23' w/ 25# (After remedial cementing)
 Acid 1000 gal 15% MSA
 Flowed bk water & GTSTM - est @ 100-150 mcf/d
 Acid 5000 gal 20% CRA + 250 gal 15% IC-acid
 F G & W w/ GTSTM SITP 160#
 18 1/2 hr SITP 725
 112 hr SITP 1140

⑦ Morrow
 8442-8451' Acid 2000 gal alcohol mud acid
 F 4 hrs ARO 125 mcf/d

5 1/2" @ 8750'
 w/ 250#x

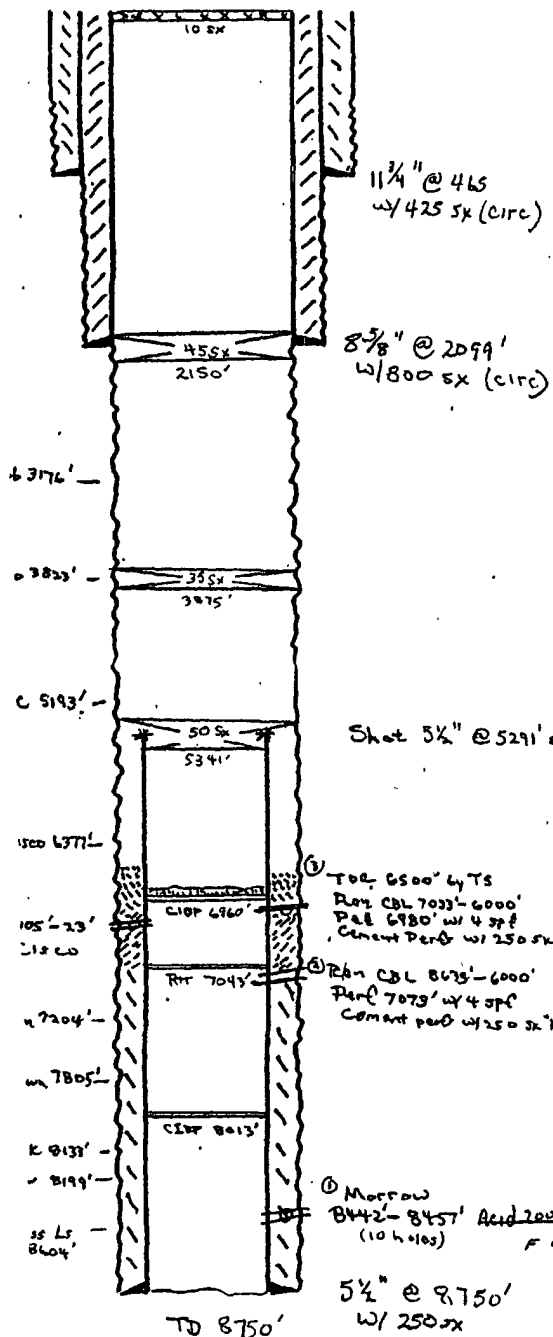
- SKETCH NOT TO SCALE -

REVISED: Revs 4/26/00

Midwest Oil Co.
 WELL NAME: Federal J #1 FIELD AREA: _____
 LOCATION: 660' FS & WL Sec 21, T18S, R24E
 L: 3801 ZERO: _____' AGL: _____'
 D: _____' ORIG. DRLG./COMPL. DATE: _____
 COMMENTS: Spud: 9-11-70
P & A: 2-9-74

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
11 3/4" 42# H-40	465'
8 5/8" 32# 9.24# K-55 STD C	2099'
5 1/2" 17# 4.15.5# N80 8.75	8750'



P & A work done by Lea County Casing Pullers
 2/3-9/74 Starting w/ CIBP @ 6960'

Shot 5 1/2" @ 5291' & pulled free

④ Perf 7005'-23' w/ 2 SPB (After remedial cementing)
 Acid 1000 gal 15% MSA
 Flowed bk water & GTSTM - est @ 100-150 mfd
 Acid 5000 gal 20% CRA + 250 gal 15% Ic-acid
 F G & W w/ GTSTM SITP 160"
 10 1/2 hr SITP 725
 112 hr SITP 1140

⑤ Morrow
 B442-8457' Acid 2000 gal elemental acid
 (10 hrs) F 4 hrs ARO + 1/2 mfd Ref Acid 1500 gal F 825 psi x 1 1/4"
 1375 CROF 1100 mfd / 72 hr 510 HP 2743 psi
 (0.32 psi/Ac)
 5 1/2" @ 8750'
 w/ 2500x

- SKETCH NOT TO SCALE -

REVISED: Rey S 4/26/00

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Yates Petroleum Corporation
Well Name & No. Blown Gasket AVX Federal Com #1 – RE-ENTRY & RESUBMITTAL
Location: 660' FSL, 660' FWL, Section 21, T. 18 S., R. 24 E., Eddy County, New Mexico
Lease: NM-87314

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

A. Well spud

B. Cementing casing: 5-1/2 inch

NOTE: 11-3/4" surface casing and 8-5/8" intermediate casing are already in place and circulated to the surface. 5-1/2" production casing was cut off at 5291' when well was plugged and abandoned.

C. BOP tests

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15-day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The 11-3/4 inch surface casing was set at 465 feet and cement circulated to the surface.

2. The 8-5/8 inch intermediate casing was set at 2099 feet and cement circulated to the surface.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is to be tied into the 8-5/8 inch intermediate casing.

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- Recording pit level indicator to indicate volume gains and losses.
- Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

9/24/03

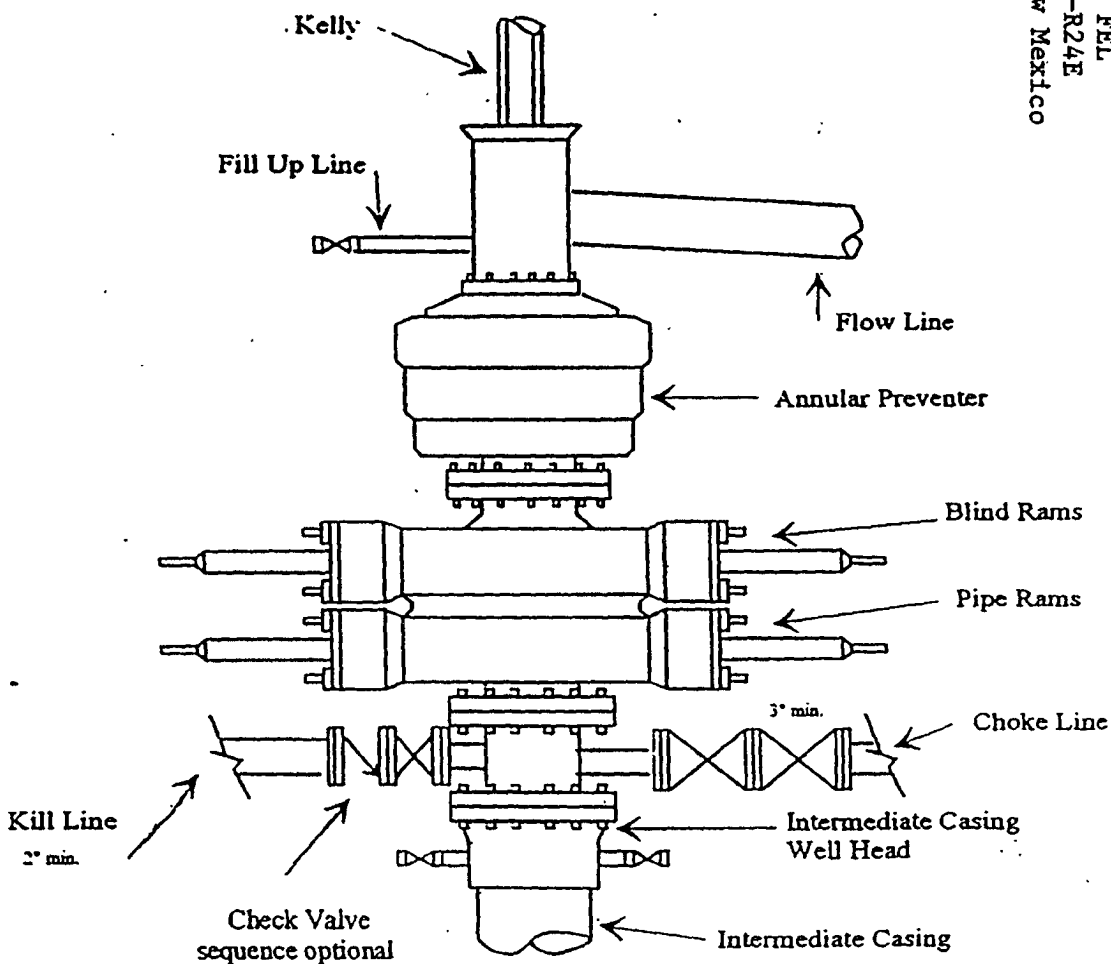
9/29/05 -acs

YATES PETROLEUM CORPORATION

105 South 4th Street
ARTESIA, NEW MEXICO 88210

Blown Gasket AVX Fed. Com. #1
660' FSL & 660' FEL
Section 21-T14S-R24E
Eddy County, New Mexico

Yates Petroleum Corporation 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

