

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

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-107
Revised June 10, 2003

Filing Instructions
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APPLICATION FOR MULTIPLE COMPLETION



CONFIDENTIAL

Yates Petroleum Corp

105 South Forth Street, Artesia, NM 88210

Operator

Address

NM-108453

Bellagio BBY Federal No. 2

Unit Letter A - Sec 33 - T20S - R25E

Eddy

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

All applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Cemetery Wolfcamp		Cemetery Morrow
b. Top and Bottom of Pay Section (Perforations)	7,348' - 7,386'		9,574' - 9,584'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
e. Daily Production <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	7/15/05 Tested to Atmosphere @ 5,994 mcf/d w/ heavy mist of water.	RECEIVED JUL 19 2005 OCD-ARTESIA	7/01/05 Tested to Atmosphere @ 1,302 mcf/d Dry gas

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge, and belief.

Signature

Printed Name & Title: James M. Hill, Operations Engineer

E-mail address mhill@ypcnm.com

Date: July 15, 2005

Telephone 505-748-4219

OIL CONSERVATION DIVISION

Approved

Title

Date

JUL 19 2005

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval -- See rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval -- See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

WELL NAME: Bellagio BBY Federal No. 2

LOCATION: 1,310' FNL & 660' FEL Sec 33-20S-25E

GL: 3,633'

SPUD DATE: 5/01/05

COMMENTS: API No. 30-015-34084

FIELD: Cemetery Morrow

Eddy County NM

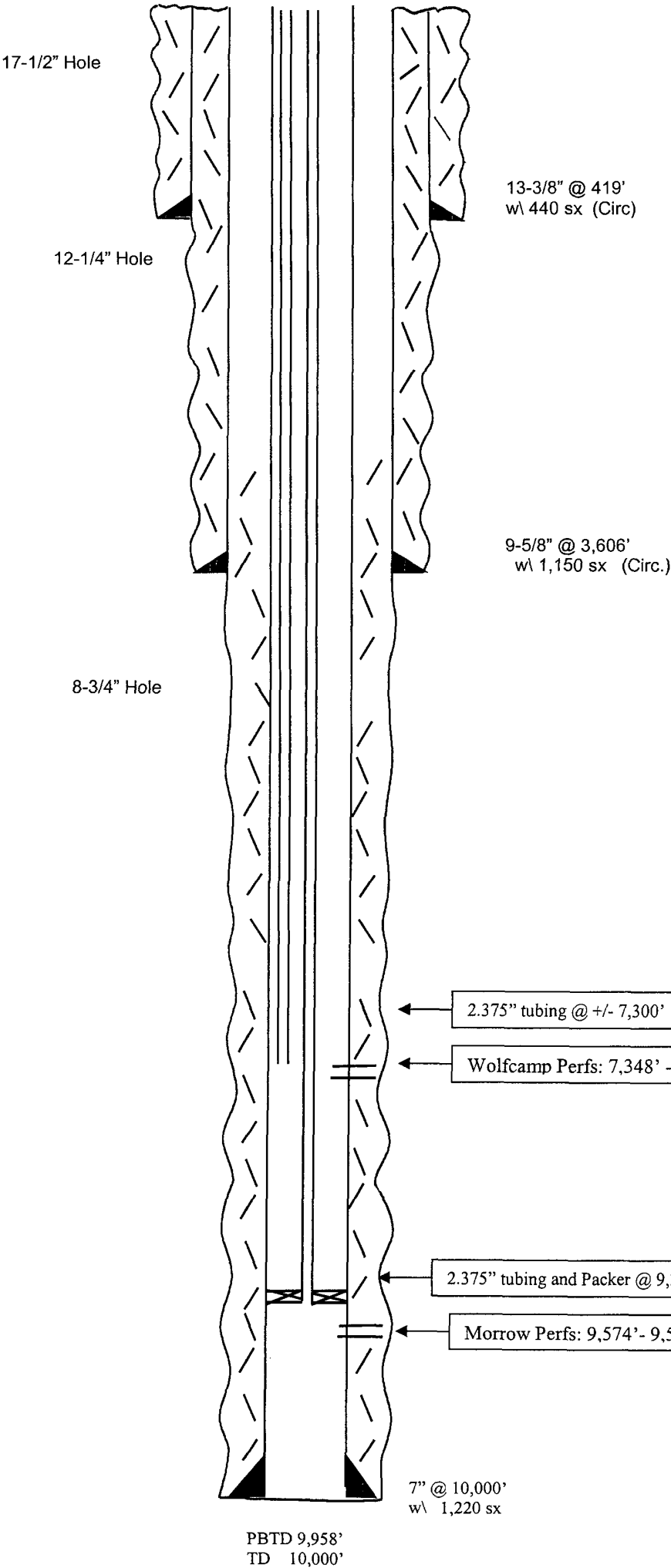
ZERO:

COMPLETION DATE: 06/07/05

CASING PROGRAM

13-3/8" 48 # H40 ST&C	419'
9-5/8" 36# J55 ST&C	1,200'
Surface	
7" 26# P110 LT&C 1,787.03'	
7" 23# J55 LT&C 2,826.63'	
7" 26# J55 LT&C 2,451.32'	
7" 26# L80 LT&C 2,199.29'	
7" 26# P110 LT&C 750.71'	9,849'
Bottom	

After



Not to Scale
JMH 7/15/05