

OCD-ARTESIA  
FEB - 3 2009

Form 3160-3  
(August 2008)



FORM APPROVED  
OMB NO. 1004-0137  
Expires: July 31, 2010

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-10266</b>
1b. 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 025575</b>		7. If Unit or CA Agreement, Name and No.
3a. Address <b>105 South Fourth Street, Artesia, NM 88210</b>		8. Lease Name and Well No. <b>Link BKT Federal Com. #1HY</b> ✓
3b. Phone No (include area code) <b>505-748-1471</b>		9. API Well No. <b>30-015-36914</b>
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface <b>1940' FNL and 240' FEL Unit H Section 18 Surface Hole location</b> At proposed prod zone <b>1880' FNL and 660' FEL Unit H Section 17 Bottom Hole Location</b>		10. Field and Pool, or Exploratory <b>Cottonwood Creek Wolfcamp</b> # 75250
11. Sec, T, R, M, or Blk. And Survey or Area <b>Section 18, T16S-R25E</b>		12. County or Parish <b>Eddy County</b>
14. Distance in miles and direction from the nearest town or post office* <b>Approximately 6 miles northwest of Artesia, New Mexico</b>		13. State <b>NM</b>
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg unit line, if any) <b>240'</b>	16. No. of acres in lease <b>640.00</b>	17. Spacing Unit dedicated to this well <b>N/2 of Section 17.</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft <b>20'</b>	19. Proposed Depth <b>TVD 4865' TMD 9368'</b>	20. BLM/ BIA Bond No. on file <b>NATIONWIDE BOND #NMB000434</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3550' GR</b>	22. Approximate date work will start* <b>ASAP</b>	23. Estimated duration <b>60 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:

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| 1. Well plat certified by a registered surveyor  | 4. Bond to cover the operations unless covered by 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 must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the BLM          |

25. Signature 	Name (Printed/ Typed) <b>Armando A. Lopez</b>	Date <b>1/22/2009</b>
Title <b>Chief Regulatory Agent</b>		

Approved By (Signature) <b>/s/ Don Peterson</b>	Name (Printed/ Typed)	Date <b>JAN 21 2009</b>
Title		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 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 wilfully 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.

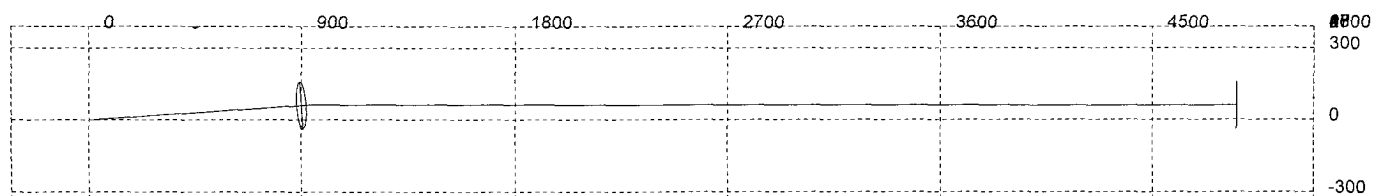
\*(Instructions on page 2) C-144 ATTACHED

M.D.	Inclination	Azimuth	T.V.D.	N+S	E+W	D.L.S.	ToolFace	T.F. Ref. (HS/GN)	
0	0	0	0	0	0	0			
490	0	0	490	0	0	0			SAN ANDRES
1740	0	0	1740	0	0	0			GLORIETA
3040	0	0	3040	0	0	0			TUBB
3740	0	0	3740	0	0	0			ABO
4224	0	0	4224	0	0	12	86	GN	KOP
4225	0.12	86.19	4225	0	0	12	360	HS	
4250	3.12	86.19	4249.99	0.05	0.71	12	0	HS	
4275	6.12	86.19	4274.9	0.18	2.72	12	360	HS	
4300	9.12	86.19	4299.68	0.4	6.02	12	0	HS	
4325	12.12	86.19	4324.25	0.71	10.62	12	0	HS	
4350	15.12	86.19	4348.54	1.1	16.49	12	0	HS	
4375	18.12	86.19	4372.5	1.58	23.63	12	0	HS	
4400	21.12	86.19	4396.04	2.13	32	12	360	HS	
4425	24.12	86.19	4419.12	2.77	41.59	12	0	HS	
4450	27.12	86.19	4441.66	3.49	52.38	12	360	HS	
4475	30.12	86.19	4463.6	4.29	64.33	12	360	HS	
4500	33.12	86.19	4484.88	5.16	77.4	12	360	HS	
4525	36.12	86.19	4505.46	6.1	91.57	12	0	HS	
4550	39.12	86.19	4525.25	7.12	106.8	12	360	HS	
4575	42.12	86.19	4544.23	8.2	123.04	12	360	HS	
4600	45.12	86.19	4562.33	9.35	140.24	12	0	HS	
4625	48.12	86.19	4579.49	10.56	158.37	12	360	HS	
4650	51.12	86.19	4595.69	11.82	177.37	12	360	HS	
4675	54.12	86.19	4610.86	13.15	197.19	12	360	HS	
4700	57.12	86.19	4624.98	14.52	217.78	12	360	HS	
4725	60.12	86.19	4638	15.94	239.07	12	360	HS	
4750	63.12	86.19	4649.88	17.4	261.01	12	0	HS	
4775	66.12	86.19	4660.59	18.9	283.55	12	360	HS	
4800	69.12	86.19	4670.11	20.44	306.61	12	360	HS	
4825	72.12	86.19	4678.4	22.01	330.14	12	360	HS	
4850	75.12	86.19	4685.45	23.6	354.07	12	360	HS	
4875	78.12	86.19	4691.24	25.22	378.33	12	0	HS	
4876.07	78.25	86.19	4691.46	25.29	379.38	0			
5409.02	78.25	86.19	4800	60	900	0			WOLFCAMP
5409.02	78.25	86.19	4800	60	900	12	20	HS	
5425	80.06	86.84	4803.01	60.95	915.66	12	19	HS	
5450	82.89	87.84	4806.72	62.1	940.36	12	19	HS	
5475	85.72	88.84	4809.2	62.82	965.22	12	19	HS	
5500	88.55	89.82	4810.45	63.11	990.19	12	19	HS	
5505.65	89.19	90.05	4810.56	63.12	995.83	12	19	HS	
9370.2	89.19	90.05	4865	60	4860	0			LATERAL TD

Well will be drilled vertically to 4224'. At 4224' the well will be directionally drilled at 12 degrees per 100' with a 7 7/8" hole until horizontal. The lateral will then be drilled to a TVD of 4865' with a MD of 9370' where 5 1/2" casing will be set and cemented. Penetration point of the pay zone will be at 1880' FNL & 660' FWL of Section 17, 16S-25E. Deepest TVD in the well will be 4,865'.

# 3D Directional Drilling Planner - 3D \ N

Company: Yates Petroleum Corporation  
Well: Link BKT Federal Com. #1HY



# 3D Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation  
Well: Link BKT Federal Com. #1HY

