

*Resubmitted*  
N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 17 2005

000-ARTESIA

0

OMB No. 1004-0136

Expires November 30, 2000

5. Lease Serial No.

NMNM107360

6. If Indian, Allottee or Tribe Name

Not Applicable

7. If Unit or CA Agreement, Name and No.

327574

8. Lease Name and Well No.

Bamboozled BBX Federal Com #2

9. API Well No.

30-015-32885

10. Field and Pool, or Exploratory

Morrow Cemetery

11. Sec., T., R., M., or Blk, and Survey or Area

Section 3, T21S-R24E Mer NMP

12. County or Parish

Eddy County

13. State

New Mexico

1a. Type of Work:

☒ DRILL

☐ REENTER

b. Type of Well:

☐ Oil Well

☒ Gas Well

☐ Other

☐ Single Zone

☒ Multiple Zone

2. Name of Operator

Yates Petroleum Corporation

3A. Address 105 South Fourth Street

Artesia, New Mexico 88210

3b. Phone No. (include area code)

(505)748-4372

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)

At surface

SESE 1051 FSL & 811 FEL, Unit P

At proposed prod. Zone

Same as above

14. Distance in miles and direction from nearest town or post office\*

APPROXIMATELY 16 MILES NE OF CARLSBAD, NM

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)

278'

16. No. of Acres in lease

421.15

17. Spacing Unit dedicated to this well

320.00

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.

2640'

19. Proposed Depth

10400 MD

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3959' GL

22. Approximate date work will start\*

ASAP

23. Estimated duration

30 Days

#### 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the authorized office.

25. Signature

*Debbie L. Caffall*

Name (Printed/Typed)

Debbie L. Caffall

Date

6/15/2005

Title:

Regulatory Technician / Land Department email: debbiec@ypcnm.com

Approved by (Signature)

/s/ Joe G. Lara

Name (Printed/Typed)

/s/ Joe G. Lara

Date

AUG 15 2005

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 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)

C-144 Attached

Previously Approved

Carlsbad Controlled Water Basin

WITNESS: 13' 8" CEMENT JOB

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, 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 & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 15, 2000

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 74640		3 Pool Name Cemetery <del>Wildcat Morrow</del>	
4 Property Code		5 Property Name Bamboozled BBX Federal Com.			6 Well Number 2
7 OGRID No. 025575		8 Operator Name Yates Petroleum Corporation			9 Elevation 3959'

10 Surface Location

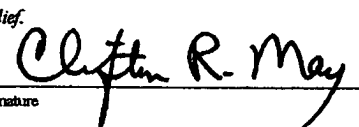
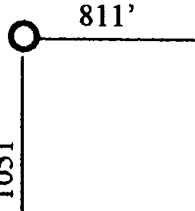
UL or lot no. P	Section 3	Township 21S	Range 24E	Lot Idn	Feet from the 1051	North/South line South	Feet from the 811	East/West line East	County Eddy
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Clifton R. May Printed Name Regulatory Agent-cy Title 02/26/2004 Date
					18 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number

**YATES PETROLEUM CORPORATION**  
**Bamboozled BBX Federal Com #2**  
 1051' FSL and 811' FEL  
 Section 3, T21S-R24E  
 Eddy County, New Mexico

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

San Andres	1410'	Strawn	9125'
Bone Spring Lime	3620'	Atoka	9625'
1 <sup>st</sup> Bone Spring Lime	4070'	Upper Morrow	9990'
2 <sup>nd</sup> Bone Spring Lime	5035'	Middle Morrow	10035'
3 <sup>rd</sup> Bone Springs Lime	6620'	Lower Morrow	10190'
Wolfcamp	7035'	Base of Morrow	10280'
Cisco	8485'	TD	10400'

**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 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>Thread</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	J-55	H-40	0-400'	400'
12 1/4"	9 5/8"	36#	J-55	ST&C	0-3650'	3650'
8 3/4"	5 1/2"	17#	L-80	LT&C	0-900'	900'
8 3/4"	5 1/2"	17#	J-55	LT&C	900'-1600'	700'
8 3/4"	5 1/2"	15.5#	J-55	LT&C	1600'-6400'	4800'
8 3/4"	5 1/2"	17#	J-55	LT&C	6400'-8200'	1800'
8 3/4"	5 1/2"	17#	L-80	LT&C	8200'-10400'	2200'

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

## Bamboozled BBX Federal Com #2

### Page 2

#### B. CEMENTING PROGRAM:

Surface casing: 450 sx 'C' + 2% CaCl<sub>2</sub>(YLD 1.64 WT 13.0).

Intermediate casing: 1300 sx Lite C (Yld 1.98 WT 12.5) Tail in w/200 sx Class C (YLD 1.34 WT 14.8).

Production Casing: TOC 3150', Lead w/1400 sx Lite 'C' (YLD 1.95 WT 12.5) Tail in w/650 sx Super 'C' Modified (YLD 1.58 WT 13.2).

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

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud to 400'	FW/Spud Mud	8.4-8.6	34-36	N/C
400'-3650'	Fresh Water	8.4-8.6	28	N/C
3650'-7000'	Cut Brine	8.8-9.0	28	N/C
7000'-8485'	Cut Brine	9.2-9.4	28	N/C
8485'-9200'	Cut Brine	9.4-9.6	28	N/C
9200'-10400'	SW/Gel/Starch/4% KCL	9.6-9.8	30-32	<10cc

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' out from under intermediate casing to TD.

Logging: Platform Express/HALS/NGT.

Coring: None anticipated.

DST's: As Warranted, possible from Cisco to TD.

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

##### Anticipated BHP:

From: 0	TO 400'	Anticipated Max. BHP: 175	PSI
From: 400'	TO 3550'	Anticipated Max. BHP: 1600	PSI
From: 3550'	TO 10400'	Anticipated Max. BHP: 5300	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H<sub>2</sub>S Zones Anticipated: None

Maximum Bottom Hole Temperature: 189° 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.

# **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Yates Petroleum Corporation**  
**Bamboozled BBX Federal Com #2**  
1051' FSL and 811' FEL  
Section 3, T21S-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 16 miles northwest of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

## **DIRECTIONS:**

Go south of Artesia of Highway 285 to Scenic Byway, (State Rd. 137). Turn west on Scenic Byway and go approx. 3.0 miles. Rockhouse water station on left cattle guard on right. Turn right and go through cattle guard and follow lease road for approx. 0.3 of a mile. Take right fork in road and go approx. 0.8 miles to the access road for Marbob's Zebra FF Federal Com. #1 well on the right. Continue on two-track road for approx. 2.3 miles to the proposed Baffled BCA Federal Com. #1 well. From here follow existing two-track for approx. 0.1 of a mile. The new road will start here going right for approx. 0.5 of a mile then the road will turn right going NE for approx. 0.2 of a mile to the SW corner of the proposed Bamboozled BBX Federal #2 well location.

## **2. PLANNED ACCESS ROAD:**

- A. The proposed new access will be approximately 0.7 miles in length from the point of origin to the northeast corner of drilling pad. The road will lie in an east then south direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Traffic turnouts may be built.
- 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**

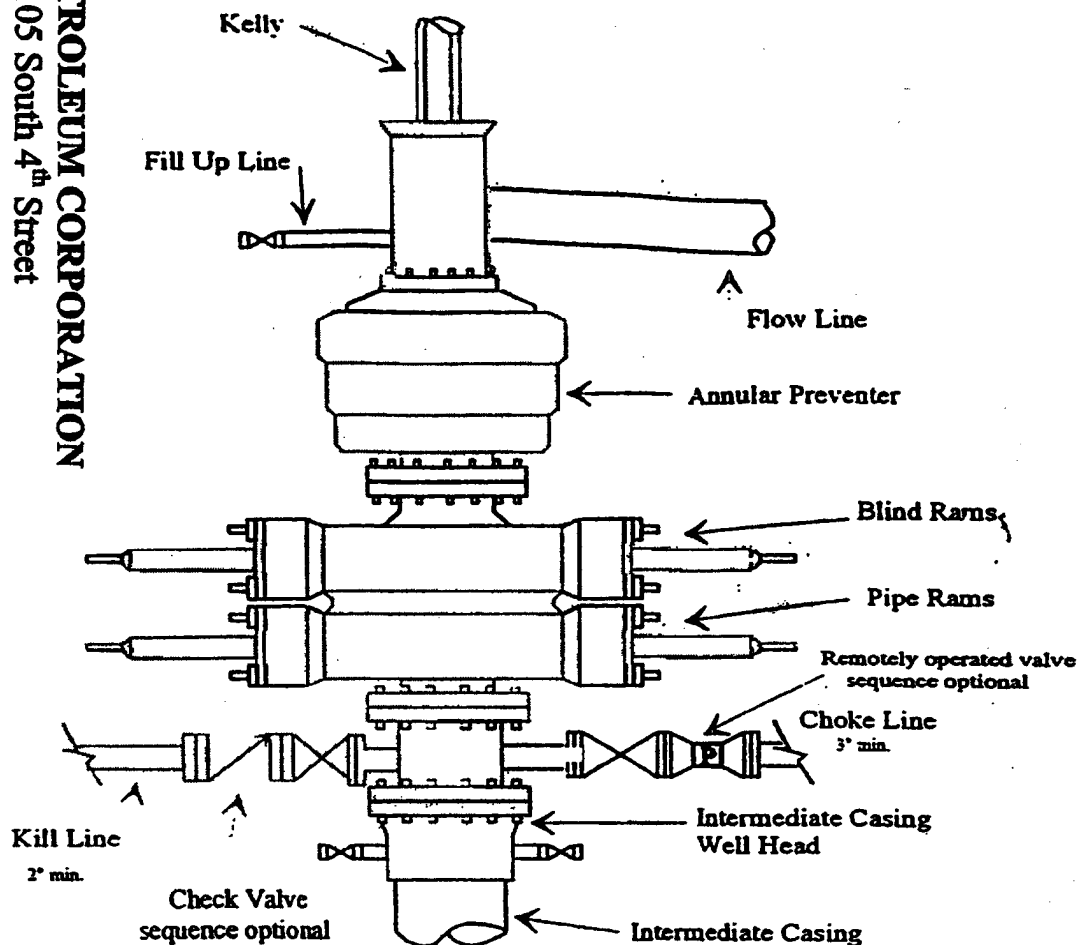
- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

## **4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

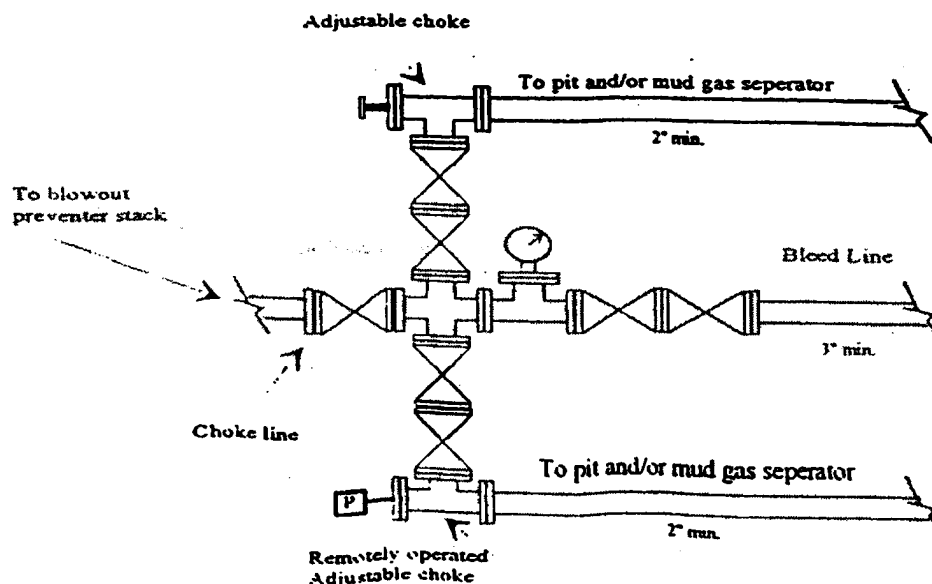
- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

## Yates Petroleum Corporation

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



To blowout  
preventer stack

Choke line

Remotely operated  
Adjustable choke

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

Well  
Form C-144  
March 12, 2004  
For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: (505) 748-4372 e-mail address: debbiec@ypcnm.com  
Address: 105 South 4<sup>th</sup> Street, Artesia, NM 88210  
Facility or well name: Bamboozled BBX Federal Corn. #2 API #: 30-015-32385 U/L or Qtr/Qtr P Sec 31 T 21S R 24E  
County: Eddy Latitude N.32°30'17.2" Longitude W.104°28'50.7" NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume  
\_\_\_\_\_ bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not.  
\_\_\_\_\_

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

( 0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

( 0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

( 0 points)

Ranking Score (Total Points)

Points 0 points

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: October 18, 2004

Printed Name/Title Cy Cowan/Regulatory Agent

Signature [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved OCT 21 2004

Date: \_\_\_\_\_ Signature \_\_\_\_\_

Printed Name/Title \_\_\_\_\_

Signature \_\_\_\_\_

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: YATES PETROLEUM CORPORATION  
Well Name & No. 2 – BAMBOOZLED BBX FEDERAL COM  
Location: 1051' FSL & 811' FEL – SEC 3 – T21S – R24E – EDDY COUNTY  
Lease: NM-107360

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### I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5972 (Daytime) or (505) 361-2822 (After hours) -for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:
- A. Spudding
- B. Cementing casing: 13-3/8 inch 9-5/8 inch 5-1/2 inch
- 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 13-3/8 inch surface casing shall be set at 400 feet, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is circulate cement to the surface.  
Note: Deepest expected fresh water in this area may be as deep as 1400 feet. The intermediate 9-5/8 inch casing will protect any water zones as it should be set at 3650 feet and drilled with fresh water.
3. The minimum required fill of cement behind the 5-1/2 inch production casing is cement shall extend upward a minimum of 500 feet above the uppermost hydrocarbon bearing interval.

(ORIG. SGD.) LES BABYAK



### **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) required for drilling the surface and intermediate casing shall be 2000 psi. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling below the 9-5/8 inch intermediate casing 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.
  - BOPE must be tested prior to drilling into the Wolfcamp formation by an independent service company.

### **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:

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