DI	Borry			
Please Note: This I	ease N.M. Oil C	Cons. DI	V-Dist. 2	
Please Note: This I expires August 31,	2005 1301 W.	Grand	Avenue	
and this well must h	e Artosi	a, NM 8	8210	
(August 1999)			0	0107
UNITED STATI	$\frac{100}{28}$ $087c$		OMB No. 1004- Expires November	
1 DEPARTMENT OF THE I		CEIVED	5. Lease Serial No.	
BUREAU OF LAND MANAC	GEMENT		NM-104631	
APPLICATION FOR PERMIT TO D		G 1 1 2005	6. If Indian, Allottee or Tribe	e Name
	000	-Aftesia		
1a. Type of Work: DRILL X RE	ENTER		7. If Unit or CA Agreement,	Name and No.
			8. Lease Name and Well No.	7-000
b. Type of Well: Oil Well 🗶 Gas Other	Single	Multiple Zone	Brash BHS Federal Co	
2. Name of Operator	Zone		9. API Well No.	
Yates Petroleum Corporation 25	575		30-015-2	1116
3A. Address 105 South Fourth Street	3b. Phone No. (include area cod	e)	10. Field and Pool, or Explor	atory
Artesia, New Mexico 88210	(505) 748-147	71	Wildcat Wolfcam)
4. Location of Well (Report location clearly and in accordance with any	- ,		11. Sec., T., R., M., or Blk, a	nd Survey or Area
At surface 1980' FSL ar			Section 34, T21	S-R22E
At proposed prod. Zone Si 14. Distance in miles and direction from nearest town or post office*	ame		12. County or Parish	13. State
Approximately 42 miles northwest of Carlsbad,	New Mexico.		Eddy County	NM
 Distance from proposed* location to nearest 	16. No. of Acres in lease	17. Spacing Un	it dedicated to this well	
property or lease line, fl. 660' (Also to nearest drig. unit line, if any)	400.00		W/2	
 Distance from proposed location* to nearest well, drilling, completed, 	19. Proposed Depth	20. BLM/BIA I		
applied for, on this lease, ft8 of mile	6075'		NM-2811	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will	start*	23. Estimated duration	
4258' GL	ASAP		45 days	
	24. Attachments	Roswell C	ontrolled Water Basin	
The following, completed in accordance with the requirements of Onshor	e Oil and Gas Order No. 1, shall b	e attached to this	form:	
1. Well plat certified by a registered surveyor.	4. Bond to cove	the executions		1 61 (
2. A Drilling Plan.	Item 20 abov		unless covered by an existing b	ond on file (see
3. A Surface Use Plan (if the location is on National Forest System Land		,		
SUPO shall be filed with the appropriate Forest Service Office.	-		ation and/or plans as may be rec	uired by the
$-\Delta \Lambda$	authorized of			
25. Signatur	Name (Printed/Typed)		Date	<u> </u>
- Ch (ma	Cy Cowan			7/6/05
Regulatory Agent Regulatory Agent				
Approved by (Signature)	Name (Printed/Typed)			·
/s/ Joe G. Lara	/s/ Jo	e G. Lai	a AU	G 1 0 2005
FIELD MANAGER	Office CARL	SBAD F	IELD OFFICE	
Application approval does not warrant or certify that the applicant holds l				plicant to conduct
operations thereon.			AL FOR 1 YE	
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 States any false, fictitious or fraudulent statements or representations as to	crime for any person knowingly and on any matter within its jurisdiction	nd willfully to ma	ke to any department or agency	of the United
*(Instructions on reverse) C-144 attached		APPRON	AL SUBJECT TO	

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APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED DISTRICT 1 1495 M. French Dr., Hobbs, NM 88940 DISTRICT 12 * 811, South Frank, Artesis, NM 86810 DISTRICT III 1000 Eis Brazos Ed., Asteo, NM 87410 DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505 State of New Mexico

Energy, Minorals and Natural Resources Department.

Form C-102 Revised March 17, 1999 Instruction on back Submit to Appropriate District Office State Lease - 4 Copies For 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	Fool Code	Pool Name
	Wildcat	Wolfcamp
Property Code	Property Name Brash BHS Federal Com.	Well Number 1.
OCRED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4258 '

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the.	North/South line	Feet from the	East/West line	County
L	34	21S	22E		1980'	South	660'	West	Eddy
							L		

Bottom Hole Location If Different From Surface

	UL or lot No.	Section	Townsh	ip 1	Rango	Lot kin	Feet from the	North/South line	Feet from the	East/West line	County
Γ	Dedicated Acres	Joint a	r Infill	Consol	lidation C	ode Or	der No.		······································		
	320										
L.,	·····										

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

NM-95625	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my invelotion and belief.
	Signature Cy Cowan Printed Name Regulatory Agent Title July 6, 2005 Date
660'	SURVEYOR CERTIFICATION I hereby cartify that the well location shown on this plat was plotted from field noise of actual surveys made by me or under my supervisen, and that the same is true and correct to the best of my belief. REFER TO ORIGINAL PALT.
NM-104631 .086	Date Surveyed Signature & Seal of Professional Surveyor
	GENERAL SURVEYING COMPANY

NE EXICO OIL CONSERVATION COMMISSIC WELL LOCATION AND ACREAGE DEDICATION PLAT

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Form C-102 Supersedes C-128 Effective 1-1-65

A11	distances	must be	1700	the	outer	boundaries	of the	Section

1 Outline the acreage dedicated to the subject well by colored pencil or hachare marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (buth as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? [] Yes (I) No If answer is "yes." type of consolidation			The custome as musi of it	om the outer boundaries a	of the Section.				
Unit Liter Sector Township Rease County EDDY Accual Fastes Learning of With 21 SOUTH .72 EAST EDDY 1980 There from the SOUTH Line and SOUTH The form the WEST Inter- tent the SOUTH Line and SOUTH The form the SOUTH WEST Inter- tent the SOUTH Jone and SOUTH The form the WEST The form the WEST The form the SOUTH Jone and SOUTH J		TERN DRILL	NG CO.		/ELAND "B" FE				
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YATES PETROLEUM CORPORATION Brash BHS Federal Com. #1 (Re-entry) 1980' FSL and 660' FWL Section 34-T21S-R22E Eddy County, New Mexico Prognosis

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This well was originally drilled by Great Western Drilling Company as the Reese Cleveland "B" Federal #1. It was spudded on March 12, 1974 and was P/A'd June 24, 1974

Yates Petroleum Corporation proposes to re-enter the captioned well with a pulling unit and reverse unit to drill out cement plugs in the 9 5/8" casing and the 7 7/8" open hole to =/- 2050'. Where the casing was shot apart at +/- 2050' we plan to splice the 5 1/2" casing together and drill out plugs in the 5 1/2" casing down to +/- 6075'. The 5 1/2" casing will then be cemented up to +/- 700'. The well will be completed with a pulling unit. Possible formations to be completed include the Wolfcamp, Abo, Yeso and Glorieta.

YATES PETROLEUM CORPORATION Brash BHS Federal Com. #1 (Re-entry) 1980' FSL and 660' FWL Section 34-T21S-R22E Eddy County, New Mexico

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

Glorieta	1692'
Yeso	2300'
Bone Spring	2963'
Abo	3563'
Wolfcamp	5656'
TD	6075'

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

Water: 215' 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. Cas	ing Program: (A	All New)				
<u>Hole Size</u>	Casing Size	Wt./Ft	Grade	Coupling	Interval	Length
17 1/2"	13 3/8"	48#+68#	H-40	ST&C	0-325'	325' In Place.
12 1/4"	9 5/8"	36#	J-55	ST&C	0-1842'	1842' In Place.
7 7/8"	5 1/2 "	17#	J-55	LT&C	0-1000'	1000'
7 7/8"	5 1/2"	15.5#	J-55	LT&C	1000'-2050'	1050'
7 7/8"	5 1/2"	17#	J-55	LT&C	2050'-6050'	4000' In Place.

Yates Petroleum Corporation requests a variance to install a rotating head on the surface casing strings when intermediate casing will be set. If a BOP system is required then we wish to install a 2M system and receive a variance to test the system to 1000# using the rig pumps. The test will be held for 30 minutes on each system component. Components to be tested include pipe rams, blind rams, and annular preventer.

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

Brash BHS Federal Com. #1 (re-entry) Page 2

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B. CEMENTING PROGRAM:

Surface Casing: 0-325' 300 sx cement in place.

Production Casing 0-1842' 1050 sx cement in place. 0-2050' TOC 700' w/ 250 sx Class "C".

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0-6075'	Cut Brine	9.0-9.4	35	<10-15cc

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 intermediate casing.Logging:Platform Express/HALS, possible FMI.Coring:Possible rotary sidewall cores.DST's:Possible Wolfcamp to TD.

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:

Anticipated BHP:

From:	-	TO:	325'	Anticipated Max. BHP: 180	PSI
From:			1842'	Anticipated Max. BHP: 940	
From:	1842'	TO:	6075'	Anticipated Max. BHP: 2280	PSI

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None Anticipated

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 Brash BHS Federal Com. #1 (Re-entry) 1980' FSL and 660' FWL Section 34, T21S-R22E 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 42 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 for approximately 19 miles to Seven Rivers. Turn West on White Pine Road and go to the Marathon Plant Road. CR 401. Turn west on 401 and go 8 miles to CR 400 (old Car Body here). Turn right on CR 400 and go approx. 2.1 miles there will be a pit on the right side of the road. Cawley Road CR-404 will be on the left. No county road sign for Cawley Road. Turn left here and to approximately 1.1 miles The old access road will on the right and will be upgraded.

2. PLANNED ACCESS ROAD:

- A. The old access will be approximately .1 of a mile in length from point of origin to the southeast corner of the drilling pad. The road will lie in an east to west direction. See attached map.
- 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. Some traffic turnouts will 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 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.





Typical 3,000 psi choke manifold assembly with at least these minimum features



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CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Yates Petroleum Corporation Well Name & No: Brash BHS Federal Com No. 01 Location: Surface: 1980' FSL & 660' FWL, Sec.34, T. 21 S., R. 22 E. Lease: NMNM 104631 Eddy County, New Mexico

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) 361-2822 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: Existing: <u>13 %</u> inch; <u>9 %</u> inch; <u>5 ½</u> inch. The 5 ½ inch was previously cut and plugged at approximately 2050 feet. An attempt to drill below this depth to a TD depth of 6075 feet is planned.

C. BOP Tests

2. A Hydrogen Sulfide (H2S) Drilling Plan is not required for this well bore. Operator shall confirm all rig personnel are trained in H2S Safety Awareness.

3. 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.

4. 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.

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

6. A communitization agreement is shall be approved in this office prior to any sales from the well.

II. CASING:

1. The 13 % inch is set at 325 Feet.

2. The <u>9 %</u> inch Intermediate casing is set at <u>1842 feet.</u>

3. The <u>5 ½</u> inch Production casing is <u>set at 4000 feet but was cut and retrieved from 2050 feet of depth. The</u> workover intends to drill thru the 5 ½ segments and continue to 6075 feet, run a 5 ½ inch extension to the cut off point, then squeeze cement to approximately 700 feet. The existing 5 ½ inch long string was previously cemented to 2100 feet, but leaving an open annulus between 4700 to 5000 feet.

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% 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. <u>Minimum working pressure</u> of the blowout preventer and related equipment (BOPE) shall be <u>2 M</u> psi and shall be tested <u>to 1500 psi for 15 minutes</u> using the rig pumps as outlined in Onshore Orders No.02 prior to drilling below 2000 feet and through the plug set at this point which isolates the 5 ½ inch production casing and previously perforated formations from the surface hole.

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

-The test shall be done by an independent service company

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-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 safe workman-like manner. Hard line connections shall be required.

-Both low pressure and high pressure testing of BOPE is required.