

New Mexico Oil Conservation Division, District I  
1625 N. F STREET  
Hobbs, NM 88240

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000



APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM90530
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA Agreement, Name and No.
Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		8. Lease Name and Well No. EMJAY BBJ FEDERAL 1
3a. Address 105 S. 4TH ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	9. API Well No. 30-005-21185
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWSW 1980FSL 660FWL L At proposed prod. zone NWSW 1980FSL 660FWL		10. Field and Pool, or Exploratory WILDCAT UNKNOWN
14. Distance in miles and direction from nearest town or post office* APPROX. 40 MILES NE OF ROSWELL, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 8 T6S R30E Mer NMP
15. Distance from proposed location to nearest property or lease life, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease 1605.96	12. County or Parish CHAVES
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8430 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 4238 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00
23. Estimated duration 30 DAYS		20. BLM/BIA Bond No. on file 1234567890

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CLIFTON R. MAY Ph: 505.748.1471	Date 01/23/2003
Title REGULATORY AGENT		
Approved by (Signature) <i>Larry D. Bray</i>	Name (Printed/Typed) LARRY D. BRAY	Date FEB 11 2003
Office ROSWELL FIELD OFFICE		

Application for permit to drill or reenter requires 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.

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.

Additional Operator Remarks (see next page)

OPER. OGRID NO. 25575  
PROPERTY NO. 31978  
POOL CODE  
EFF. DATE 10-5-03  
API NO. 30-005-21185  
Electronic Submission #17917 verified by the BLM Well Information System  
For YATES PETROLEUM CORPORATION, sent to the Roswell  
Committed to AFMS for processing by Armando Lopez on 01/23/2003 (03AL0122AE)

\*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\*

**Additional Operator Remarks:**

Last page of attachments is a re-scanned C-102 with the dedicated acres outlined in red.

Thank you.

DISTRICT I  
1626 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  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee 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 30-005-21185	Pool Code ✓	Pool Name Wildcat Pre-Cambrian
Property Code 31978	Property Name EMJAY "BBJ" FEDERAL	Well Number 1
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4238

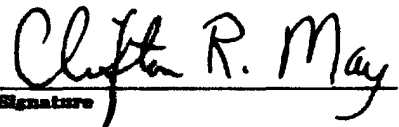
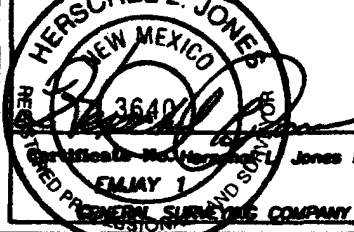
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	8	6S	30E		1980	SOUTH	660	WEST	CHAVES

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
Dedicated Acres 320 S/2		Joint or Infill	Consolidation Code	Order No.					

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

				<b>OPERATOR CERTIFICATION</b> I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Clifton R. May Printed Name Regulatory Agent Title 1/20/2003 Date	
				<b>SURVEYOR CERTIFICATION</b> 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. 1/16/2003 Date Surveyed Signature & Seal of Professional Surveyor  Herschel E. Jones RLS 3640 EMJAY 1 SANTA FE SURVEYING COMPANY	
<p>N.35°48'22.9" W.103°54'29.2" 4237 4239 660' 4238 4239 1980'</p> <p>NM-90530</p>					

**YATES PETROLEUM CORPORATION**  
**Emjay BBJ Federal #1**  
 1980' FSL and 660' FWL  
 Section 8-T6S-R30E  
 Chaves County, New Mexico

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

Rustler	1135'	Yeso	3560'	Strawn	7290'
Salado	1193'	Tubb	4970'	Mississippian	7631'
Yates	1260'	Abo	5730'	Woodford	8115'
Queen	1865'	Wolfcamp	6445'	Devonian	8140'
San Andres	2320'	Spear Zone	6775'	Pre-Cambrian	8280'
Glorieta	3500'	Cisco	7030'	TD	8430'

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

Water: 200 - 250'  
 Oil or Gas: 7290', 7631', 8115', 8140', 8280'

3. Pressure Control Equipment: A diverter will be installed on the 13 3/8" casing. 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: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
14 3/4" 47 1/2"	13 3/8" 11 3/4"	48#	H-40	ST&C	0-350'	350' 1160'
11"	8 5/8"	32#	J-55	ST&C	0-2400'	2400'
7 7/8"	5 1/2"	17#	J-55	LT&C	0-100'	100'
7 7/8"	5 1/2"	15.5#	J-55	LT&C	100-7400'	7300'
7 7/8"	5 1/2"	17#	J-55	LT&C	7400-8430'	1030'

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

## Emjay BBJ Federal #1

Page 2

### A. CEMENTING PROGRAM:

Surface Casing: Lead w/200 sx Lite (YLD 1.96 WT 12.5) Tail in w/ 200 sx Class C + 2% CaCl<sub>2</sub> (YLD 1.34 WT 14.8).

Intermediate Casing: Lead w/700 sx Lite (YLD 2.5 WT 11.9) Tail in w/200 sx C + 2% CaCl<sub>2</sub> (YLD 1.34 WT 14.8).

Production Casing: 800 sx Pecos Valley Lite (Yld 1.34 WT 13.0). TOC – 5200'.

### 5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-350'	FW Gel/Paper/LCM	8.6-9.6	32-36	N/C
350'-2400'	Brine	10.0-10.2	28	N/C
2400'-5700'	Cut Brine/Brine	9.0-10.2	28	N/C
5700'-TD	Starch/Salt Gel	9.3-10.2	32-40	<6

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: Every 10' from Surface casing to TD.

Logging: CNL/LDT/NGT-TD to surface casing; CNL/GR-TD to surface; DLL/MSFL-TD to surface casing; BHC SONIC-TD to surface casing; FMI-TD to top of Wolfcamp.

Coring: Sidewall

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 350'	Anticipated Max. BHP: 175 PSI
From: 350'	TO: 2400'	Anticipated Max. BHP: 1300 PSI
From: 2400'	TO: TD	Anticipated Max. BHP: 4500 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

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

Maximum Bottom Hole Temperature: 140 F

### 8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 15 days to drill the well with completion taking another 20 days.

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN  
YATES PETROLEUM CORPORATION**

**Emjay BBJ Federal #1**  
1980' FSL and 660' FWL  
Section 8-T6S-R30E  
Chaves 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 well site is located approximately 40 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

**DIRECTIONS:**

Go NE on Hwy 70 from Roswell, NM, from the intersection of 70/285 for approx. 38.6 miles. Turn NW thru gate and go approx. 0.4 of a mile and turn right (north). Go approx. 2.2 miles and turn right (east). Go approx. 0.5 of a mile to the SE corner of the pad.

**2. PLANNED ACCESS ROAD:**

- A. The proposed new access will be approximately 2.6 miles in length from the point of origin to the southwest corner of the drilling pad. The road will go westerly 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 surfaced. Approx. 6 traffic turnouts will be built.
- D. The route of the road is visible.

**3. LOCATION OF EXISTING WELL:**

- A. There is no drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

**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.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The 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:

It will be the responsibility of the dirt contractor to locate a pit of his choice.

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 required.

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

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 well site 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.

**Emjay BBJ Federal #1**  
**Page 3**

**SURFACE OWNERSHIP:** Split Estate with the surface belonging to Shoenail Ranch Company, Wayne Palla, 902 Colonial Parkway, Clovis, New Mexico 88101, Phone: (505) 762-3391.

I certify that Yates Petroleum Corporation has reached an agreement as to Yates' operations on his surface.

**12. OTHER INFORMATION:**

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, and historical and cultural sites.
- B. The primary surface use is for grazing.

**OPERATOR'S REPRESENTATIVE:**

- |  |   |
|--|---|
| A. Through A.P.D. Approval:<br>Clifton R. May, Regulatory Agent<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>Phone (505) 748-1471 | B. Through Drilling, Completions & Prod.<br>Pinson McWhorter, Operations Manager<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>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.

1/20/2003

  
Regulatory Agent



**YATES PETROLEUM CORPORATION**

NWSW, 1980' FSL & 660' FWL

Section 8-T6S-R30E

Chaves County, New Mexico

-Gave 1 Camel gun

Calsey

20

KEWEENAW 8.7 MILES

Roswell 37.6 miles

TOPEKA

Threat  
Wells

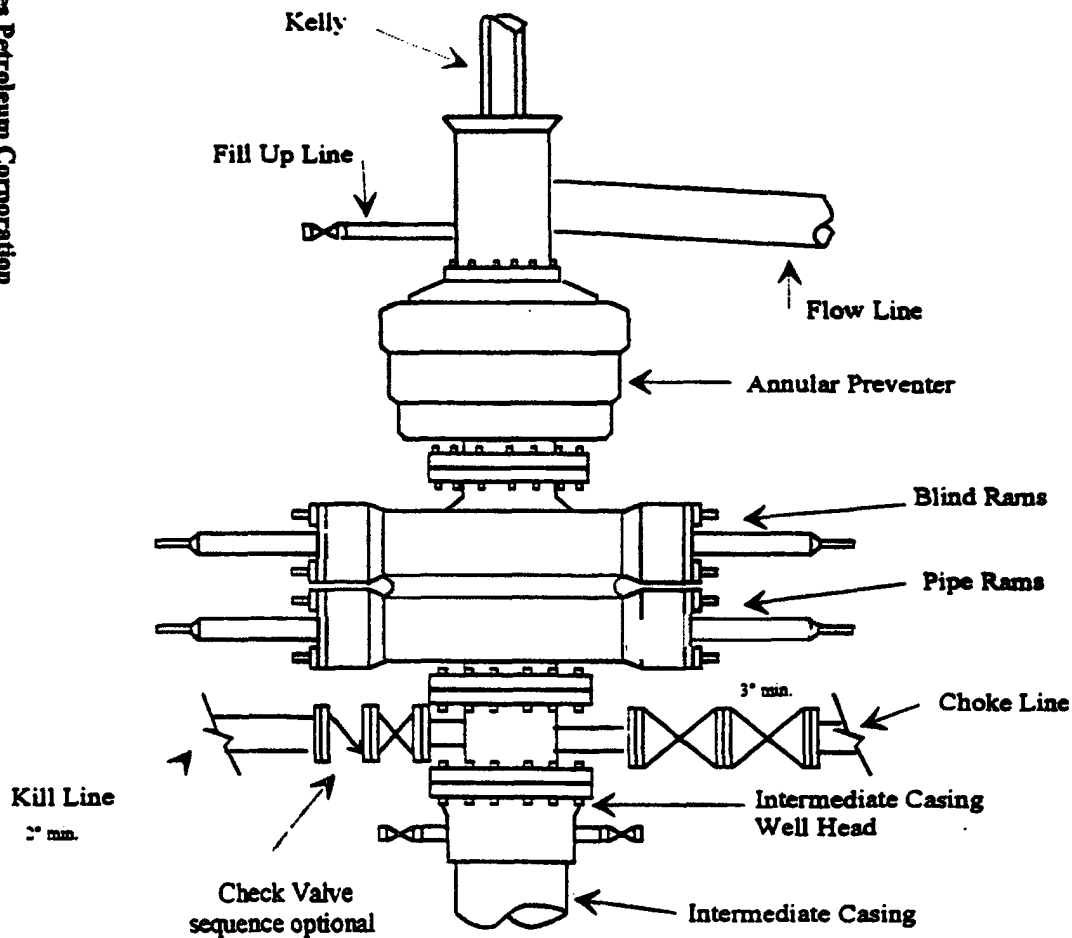


# Yates Petroleum Corporation

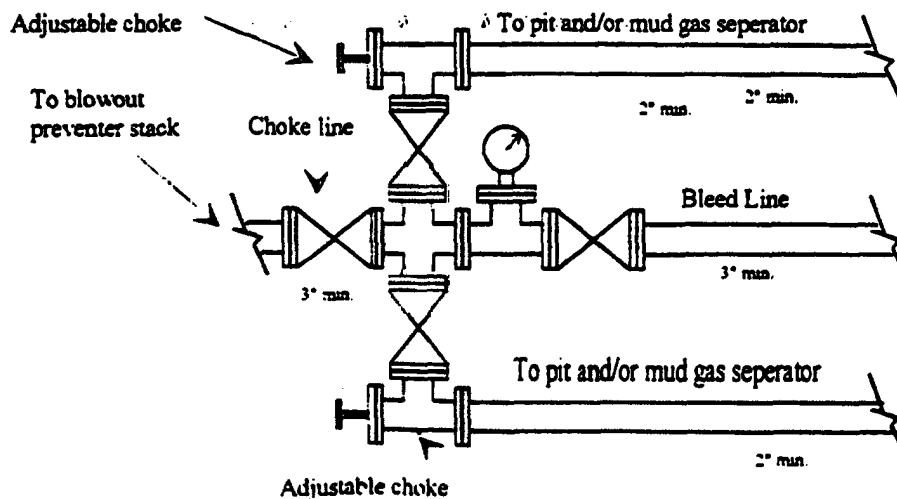
BOP-3

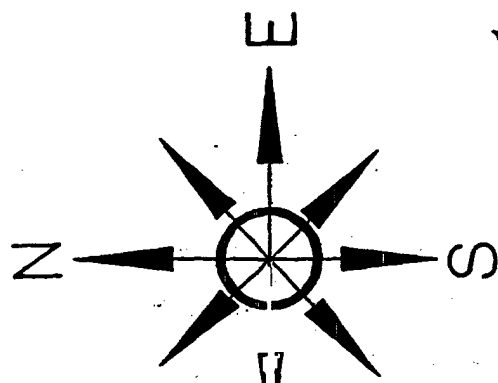
## Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

Yates Petroleum Corporation  
Enjay BBJ Federal #1  
1980' FSL and 660' FWL  
Section 8-T6S-R30E  
Chaves County, New Mexico  
Exhibit "B"



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



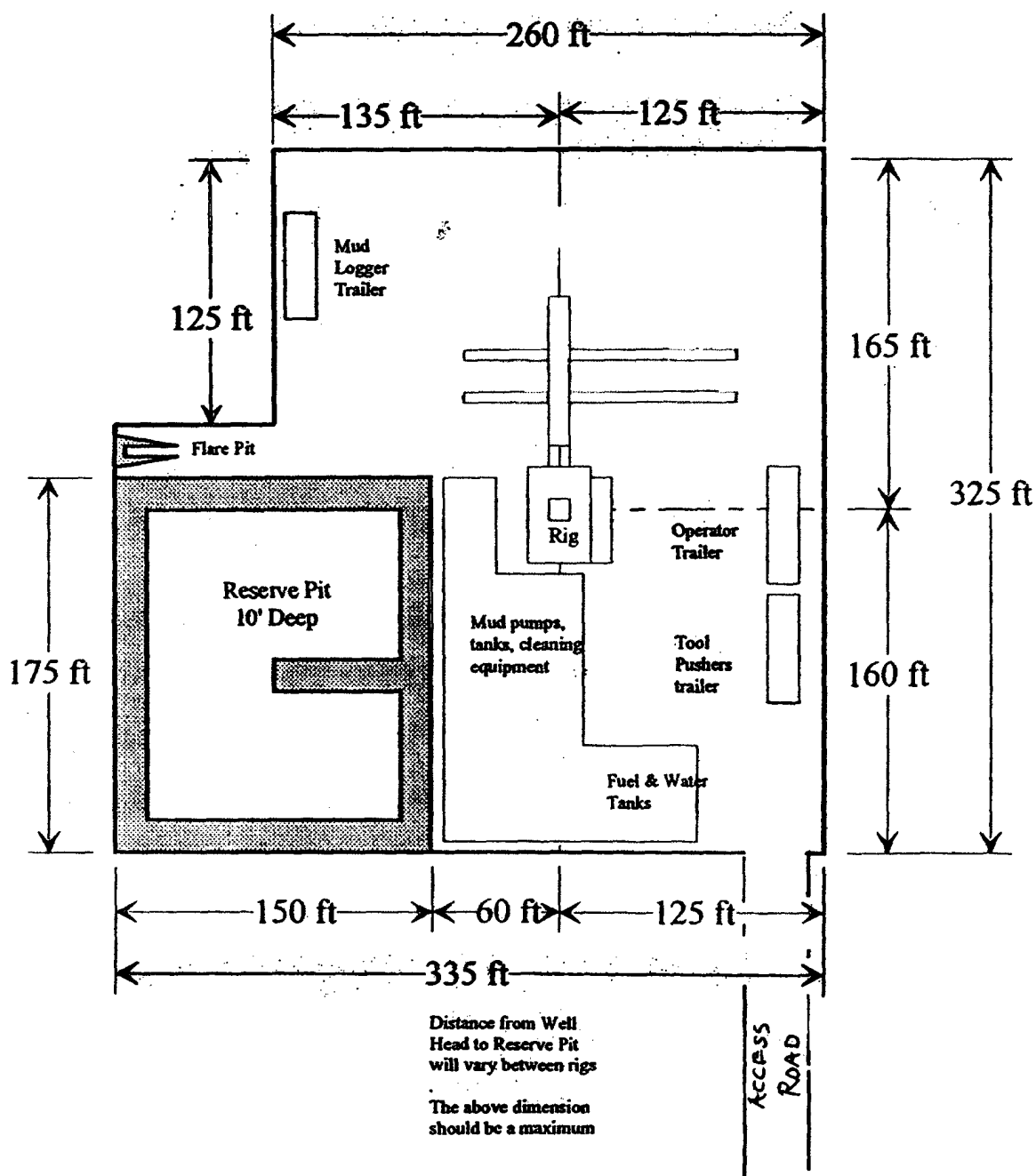


# Yates Petroleum Corporation

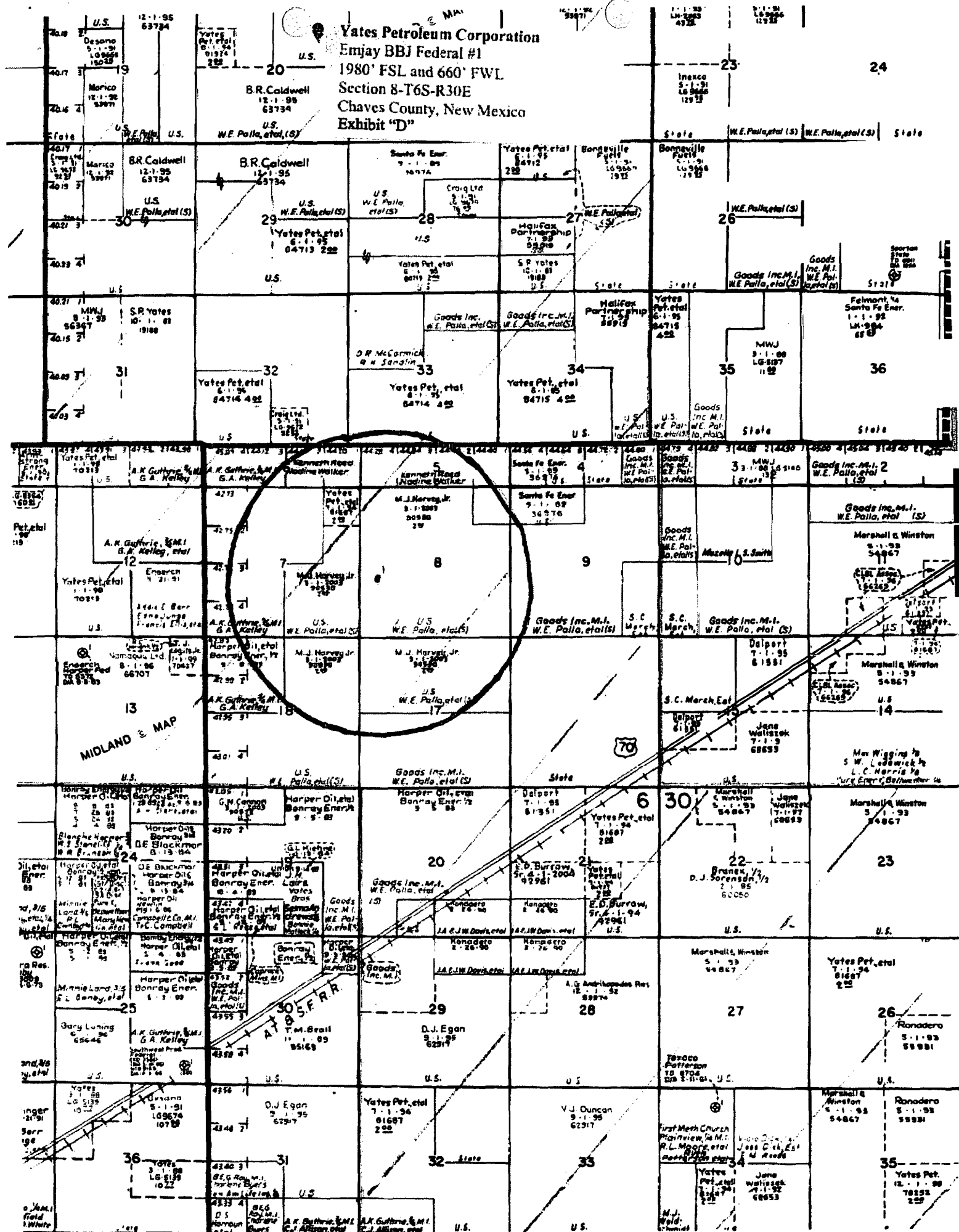
## Location Layout for Permian Basin

### Up to 12,000'

Yates Petroleum Corporation  
 Emjay BBJ Federal #1  
 1980' FSL and 660' FWL  
 Section 8-T6S-R30E  
 Chaves County, New Mexico  
 Exhibit "C"



**Yates Petroleum Corporation**  
**Emjay BBJ Federal #1**  
**1980' FSL and 660' FWL**  
**Section 8-T6S-R30E**  
**Chaves County, New Mexico**  
**Exhibit "D"**



DISTRICT I  
1630 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  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999  
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OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-005-21185</b>	Pool Code <b>/</b>	Pool Name <b>Wildcat Pre-Cambrian</b>
Property Code <b>31978</b>	Property Name <b>EMJAY "BBJ" FEDERAL</b>	Well Number <b>1</b>
OGRIID No. <b>025575</b>	Operator Name <b>YATES PETROLEUM CORPORATION</b>	Elevation <b>4238</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>8</b>	<b>6S</b>	<b>30E</b>		<b>1980</b>	<b>SOUTH</b>	<b>660</b>	<b>WEST</b>	<b>CHAVES</b>

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>320 S/2</b>		Joint or Infill	Consolidation Code	Order No.					

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

				<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature <b>Clifton R. May</b> Printed Name <b>Regulatory Agent</b> Title <b>1/20/2003</b> Date	
				<b>SURVEYOR CERTIFICATION</b>  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.  <b>1/16/2003</b> Date Surveyed  Signature & Seal of Professional Surveyor <b>HERSCHEL E. JONES</b> Registered Professional Surveyor <b>3640</b> Certificate No. Jones RLS 3640 <b>EMJAY 1</b> FEDERAL SURVEYING COMPANY ASTORIA, OREGON	

# EXHIBIT A

OPERATORS NAME: Yates Petroleum Corporation LEASE NO.: NM-90530

WELL NAME & NO: Emjay "BBJ" Federal #1

QUARTER/QUARTER & FOOTAGE: NW¼SW¼ - 1980' FSL & 660' FWL

LOCATION: Section 8, T. 6 S., R. 30 E., NMPM

COUNTY: Chaves County, New Mexico

