

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., 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 and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-101

**APPLICATION FOR PERMIT TO DRILL**

Operator Name and Address <b>Yates Petroleum Corporation 105 South Fourth St. Artesia, NM 88210</b>		OGRID Number <b>25575</b>
		API Number <b>30-15-32822</b>
Property Code <b>12331</b>	Property Name <b>Greasewood BD State Com.</b>	Well No. <b>011</b>

**Surface Location**

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	6	19S	25E		840	N	1350	W	Eddy

**Proposed Pools**

<b>WILDCAT CHESTER</b>
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Work Type <b>New Well</b>	Well Type <b>Gas</b>	Cable/Rotary	Lease Type <b>State</b>	Ground Level Elevation <b>3647</b>
Multiple <b>N</b>	Proposed Depth <b>9000</b>	Formation <b>Chester</b>	Contractor	Spud Date <b>6/4/2003</b>

**Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	450	0
Int1	12.25	8.625	24	1200	600	0
Prod	7.875	5.5	17	9000	1600	700

**Casing/Cement Program: Additional Comments**

YPC proposes to drill/test the Chester/intermediate formations. Approx. 400 of surface casing will be set/cemented. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-400 ft. FW/Native Mud; 400-1200 ft. Fresh Water; 1200-8200 ft. Cut Brine; 8200-9000 ft. Salt Gel/Starch/KCL.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Electronically Signed By: Robert Asher		Electronically Approved By: Bryan Arrant	
Title: Regulatory Technician		Title: Geologist	
Date: 6/3/2003		Approval Date: 6/5/2003	Expiration Date: 6/5/2004
Phone: 505-748-4364		Conditions of Approval: There are conditions. See Attached.	

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Energy, Minerals and Natural Resources

Form C-102

## Oil Conservation Division

1220 S. St Francis Dr.

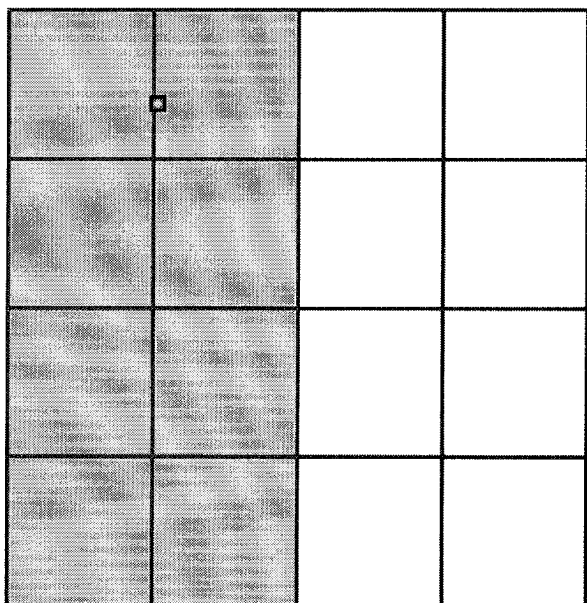
Santa Fe, NM 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-15-32822	Pool Name WILDCAT CHESTER	Pool Code
Property Code 12331	Property Name Greasewood BD State Com.	Well No. 011
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 3647

**Surface And Bottom Hole Location**

UL or Lot C	Section 6	Township 19S	Range 25E	Lot Idn	Feet From 840	N/S Line N	Feet From 1350	E/W Line W	County Eddy
Dedicated Acres 328.08	Joint or Infill	Consolidation Code	Order No.						

**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Electronically Signed By: Robert Asher

Title: Regulatory Technician

Date: 6/3/2003

**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.*

Electronically Signed By: Dan R. Reddy

Date of Survey: 5/14/2003

Certificate Number: 5412

## APD Comments

**Operator:** 25575 Yates Petroleum Corporation

**Well:** Greasewood BD State Com. 011

User Name	Comment	Comment Date
YATESPETROLEUM	No H2S anticipated.	6/3/2003

## APD Conditions Of Approval

**Operator:** 25575 Yates Petroleum Corporation

**Well:** Greasewood BD State Com. 011

OCD Reviewer	Condition
BARRANT	Notify OCD time to witness cementing of surface and intermediate casing. FYI- Well is within boundaries of Penasco Draw; Morrow Gas Pool for possible Morrow completion.

**YATES PETROLEUM CORPORATION**  
**Greasewood BD State Com #11**  
**840' FNL and 1350' FWL**  
**Section 6, T19S-R25E**  
**Eddy County, New Mexico**

**H2S Drilling Operations Plan**

Personnel employed at the rig site shall receive training in H2S detection, safe drilling procedures and contingency plans. H2S safety equipment shall be installed and functional 500 feet prior to encountering known or probable H2S zone at 7400' feet.

Primary briefing area will be established 150' from wellbore and up wind of prevailing wind direction. Secondary briefing area will be established 180 degrees from primary briefing area.

A H2S warning sign will be posted at the entrance of the location. Depending on conditions, a green, yellow, or red flag will be displayed.

**Green - Normal conditions**  
**Yellow - Potential danger**  
**Red - Danger H2S present**

Wind indicators will be placed on location at strategic, highly visible areas. H2S monitors ( a minimum of three) will be positioned on location for best coverage and response. H2S concentrations of 10 ppm will trigger a flashing light and 20 ppm will trigger an audible siren.

H2S breathing equipment will consist of:

- 1) 30 minute "pressure demand" type working unit for each member of rig crew on location.
- 2) 5 minute escape packs for each crew member.

Breathing equipment will be stored in weather proof cases or facilities. They will be inspected and maintained weekly.