

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</b> 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-015-33036 <b>33037</b>
Property Code 12205	Property Name Dowell MV	Well No. 003

**Surface Location**

UL or Lot O	Section 33	Township 18S	Range 26E	Lot Idn O	Feet From 660	N/S Line S	Feet From 1980	E/W Line E	County Eddy
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**Proposed Pools**

<b>Undes. Four Mile Draw; Morrow, West</b>
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 3372
Multiple N	Proposed Depth 9550	Formation Morrow	Contractor	Spud Date 10/10/2003

**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	550	600	0
Int1	12.75	9.625	36	1500	700	0
Prod	8.75	5.5	17	9550	2350	1000

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill/test the Morrow and intermediate formations. Approximately 550' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production. MUD PROGRAM: 0-550' FW/Spud Mud; 550'-1500' Fresh Water; 1500'-8400' Cut Brine; 8400'-TD Salt Gel/Starch. BOPE PROGRAM: A 3000# BOPE will be installed on the 9 5/8" casing and tested daily.

**Proposed Blowout Prevention Program**

Type Double Ram	Working Pressure 5000	Test Pressure 5000	Manufacturer
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I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 10/09/2003

Phone: 505-748-4364

### OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 10/13/2003

Expiration Date: 10/13/2004

Conditions of Approval:

There are conditions. See Attached.

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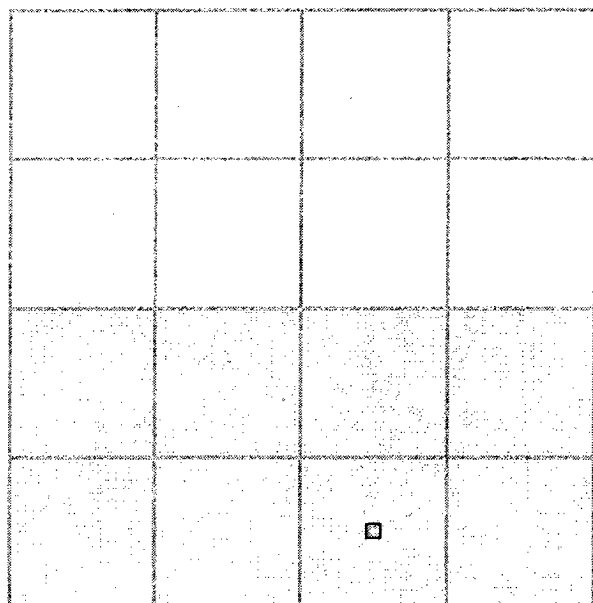
Form C-102

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-33036	Pool Name Undes. Four Mile Draw; Morrow, West	Pool Code
Property Code 12205	Property Name Dowell MV	Well No. 003
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3372

**Surface And Bottom Hole Location**

UL or Lot O	Section 33	Township 18S	Range 26E	Lot Idn O	Feet From 660	N/S Line S	Feet From 1980	E/W Line E	County Eddy
Dedicated Acres 320		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: Debbie Caffall

Title: Regulatory Technician

Date: 10/09/2003

**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.*

Surveyed By: Herschel Jones

Date of Survey: 10/08/2003

Certificate Number: 3640

## Permit Conditions Of Approval

**Operator: YATES PETROLEUM CORPORATION , 25575**

**Well: Dowell MV #003**

OCD Reviewer	Condition
BARRANT	Notify OCD spud and time to witness cementing of intermediate casing.

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

October 8, 2003

To: Bryan Arant  
From: Cy Cowan

Re: Yates Petroleum Corporation  
Dowell MV #3  
H2S Contingency Plan

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Morrow Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Cy Cowan  
Regulatory Agent