

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 82932

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
4. Property Code 34621		3 API Number 30-05-64080
5. Property Name BRICK STATE UNIT		6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	8	08S	27E	C	660	N	1850	W	CHAVES

8. Pool Information

FOOR RANCH; PRE-PERMIAN,NE (G)	97170
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3708
14. Multiple N	15. Proposed Depth 6810	16. Formation Undesignated Precambrian	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	350	250	0
Int1	11	8.625	24	1450	430	0
Prod	7.875	5.5	15.5	6810	1200	1000

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation plans to drill and test the Precambrian and Intermediate formations. Surface casing will be set at 250' and cemented to surface. Intermediate casing will be ran and set at 430' and cemented back to surface. Should the well be determined to be commercial, production casing will be set at 6810' and cement back to 1000', perforated and stimulated as needed to gain production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/>	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Monti Sanders	Approved By: Tim Gum	
Title:	Title: District Supervisor	
Email Address: montis@ypcnm.com	Approved Date: 11/10/2008	Expiration Date: 11/10/2010
Date: 10/29/2008	Phone: 575-748-4244	Conditions of Approval Attached

Monti
ENTERED
12-11-08

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-102
 Permit 82932

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-05-64068	2. Pool Code 97170	3. Pool Name FOOR RANCH; PRE-PERMIAN,NE (G)
4. Property Code 34621	5. Property Name BRICK STATE UNIT	6. Well No. 002
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3708

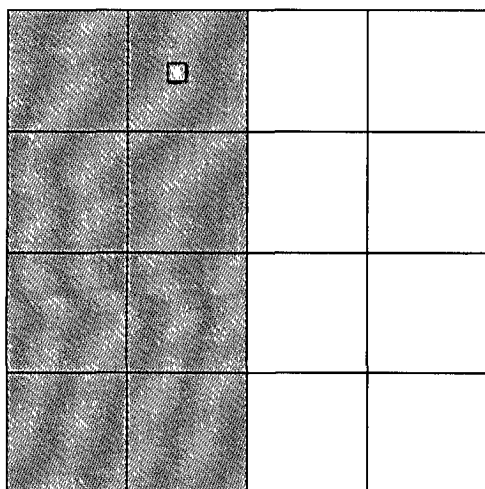
10. Surface Location

UL - Lot C	Section 8	Township 08S	Range 27E	Lot Idn	Feet From 660	N/S Line N	Feet From 1850	E/W Line W	County CHAVES
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code	15. 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

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Monti Sanders

Title:

Date: 10/29/2008

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: Ronald Edison

Date of Survey: 10/13/2008

Certificate Number: 3239

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BRICK STATE UNIT #002

API: 30-05-64068

OCD Reviewer	Condition
TGUM	NOTE: TIE BACK DEPTH ON THE PRODUCTION CSG.

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BRICK STATE UNIT #002

API:

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0 to 350' with Fresh Water Gel; 350'to 1450' with Fresh Water; 1450' to 4600' with Brine Water; 4600' to 6810' with Salt Water Gel/Starch.	10/29/2008
MSANDERS	BOP PROGRAM: 2000 psi will be nipped up on the 11 3/4" casing and tested.	10/29/2008
MSANDERS	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the Surface to the Precambrian formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	10/29/2008
MSANDERS	C-144 to follow by mail.	10/29/2008