

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 YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-015-33185
Property Code 33226	Property Name Clarence BCU	Well No. 002

**Surface Location**

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	10	16S	26E	I	1980	S	660	E	Eddy

**Proposed Pools**

Wildcat Morrow

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 3331
Multiple N	Proposed Depth 7750	Formation Morrow	Contractor	Spud Date 01/16/2004

**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	400	0
Int1	12.25	9.625	36	1400	750	0
Prod	8.75	5.5	15.5	7750	2250	0

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill/test the Morrow and intermediate formations. Approximately 400' 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: 0-400' FW; 400'-1400' Fresh Water; 1400'- 7200' Cut Brine; 7200' - 7750' Salt Gel/Starch. BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily. NO H2S ANTICIPATED.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

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: 01/15/2004

Phone: 505-748-4364

**OIL CONSERVATION DIVISION**

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 01/21/2004 | Expiration Date: 01/21/2005

Conditions of Approval:  
There are conditions. See Attached.

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Form C-102

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-33185	Pool Name Wildcat Morrow	Pool Code
Property Code 33226	Property Name Clarence BCU	Well No. 002
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3331

**Surface And Bottom Hole Location**

UL or Lot I	Section 10	Township 16S	Range 26E	Lot Idn I	Feet From 1980	N/S Line S	Feet From 660	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: 01/15/2004

**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: 12/10/2003  
Certificate Number: 3640

## Permit Conditions Of Approval

**Operator: YATES PETROLEUM CORPORATION , 25575**

**Well: Clarence BCU #002**

OCD Reviewer	Condition
BARRANT	Notify OCD time of spud and time to witness the cementing of surface and 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

January 15, 2004

Mr. Bryan Arrant  
Oil Conservation Division, District II Office  
1301 W. Grand Ave.  
Artesia, NM 88210

RECEIVED  
JAN 16 2004  
OCD-ARTESIA

Re: Clarence BCU #2  
1980'FSL and 660'FEL  
Section 10, T16S-R26E  
Eddy County, New Mexico  
H2S Contingency Plan

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

Thank you,

YATES PETROLEUM CORPORATION

  
Debbie L. Caffall  
Regulatory Technician

/dd