

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-

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-015-33240
Property Code 12553	Property Name Medano VA State	Well No. 014

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	16	23S	31E	A	330	N	330	E	Eddy

Proposed Pools

Los Medanos Delaware

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3376
Multiple N	Proposed Depth 8200	Formation Delaware	Contractor	Spud Date 02/12/2004

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	600	700	0
Int1	11	8.625	32	4100	1400	0
Prod	7.875	5.5	15.5	8200	900	6200

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Morrow and intermediate formations. Approximately 600' 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: 0-600' FW/Native Mud; 600'- 4100' Brine; 4100'- 6800' Cut Brine; 6800'-8200' Cut Brine/Starch. BOPE PROGRAM: A 3000# BOPE will be installed on the 13 3/8" casing and tested daily. NO H2S ANTICIPATED.
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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.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 02/11/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 02/13/2004 Expiration Date: 02/13/2005

Conditions of Approval:

There are conditions. See Attached.

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33240	Pool Name Los Medanos Delaware	Pool Code
Property Code 12553	Property Name Medano VA State	Well No. 014
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3376

Surface And Bottom Hole Location

UL or Lot A	Section 16	Township 23S	Range 31E	Lot Idn A	Feet From 330	N/S Line N	Feet From 330	E/W Line E	County Eddy
Dedicated Acres 40		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: **02/11/2004**

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: **01/27/2004**

Certificate Number: **3640**

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: Medano VA State #014

User Name	Comment	Comment Date
DCAFFALL	Please Note: As per phone conversation with Brian A. 02/11/04 not in Potash Area.	2/11/2004
BARRANT	Please note that this is a Delaware test and well is not to be projected to the Morrow as stated.	2/13/2004

Permit Conditions Of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: Medano VA State #014

OCD Reviewer	Condition
BARRANT	Notify OCD time of spud and time to witness the cementing of the surface and intermediate casings.
BARRANT	Cement to cover ALL oil, gas and water bearing zones.