

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

**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
		3. API Number 30-025-38819
4. Property Code 24779	5. Property Name CARPER MCALESTER ATE STATE	6. Well No. 003

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	25	11S	34E	B	600	N	2310	E	LEA

**8. Pool Information**

EIGHT MILE DRAW,PERMO UPPER PENN	21480
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4153
14. Multiple N	15. Proposed Depth 9380	16. Formation Wolfcamp	17. Contractor	18. Spud Date
Depth to Ground water 25		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 24000 _____ 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	400	250	0
Int1	11	8.625	32	4200	1110	0
Prod	7.875	5.5	17	9380	450	7300

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Wolfcamp /intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4200', cement circulated to surface. If commercial, production casing will be ran and cemented, perforated, and stimulated as needed to gain production.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

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 NMOCB guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Chris Williams	
Printed Name: Electronically filed by Monti Sanders	Title: District Supervisor	
Title:	Approved Date: 3/21/2008	Expiration Date: 3/21/2010
Email Address: montis@ypcnm.com		
Date: 3/19/2008	Phone: 575-748-4244	Conditions of Approval Attached

District IIDistrict IIIDistrict IV

## Energy, Minerals and Natural Resources

## Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38819	2. Pool Code 21480	3. Pool Name EIGHT MILE DRAW,PERMO UPPER PENN
4. Property Code 24779	5. Property Name CARPER MCALESTER ATE STATE	
6. Well No. 003	7. OGRID No. 25575	
8. Operator Name YATES PETROLEUM CORPORATION		9. Elevation 4153

## 10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	25	11S	34E		600	N	2310	E	LEA

## 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 40.00		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**

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## 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: 3/19/2008

## 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: Gary L. Jones

Date of Survey: 3/18/2008

Certificate Number: 7977

# Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: CARPER MCALESTER ATE STATE #003

API: 30-025-38819

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-400' FW Gel; 400'-2170' FW; 2170-4200' Red Bed Mud/Oil; 4200'-7700' Cut Brine; 7700'-9380' S Gel/Starch.	3/19/2008
MSANDERS	BOPE PROGRAM: A 3000# BOPE will be installed on the 8.625" casing and tested daily for operational.	3/19/2008
MSANDERS	Sources at Yates Petroleum Corporation have relayed to me that they believe there will not be enough H2S found from the Surface to the Wolfcamp formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	3/19/2008

# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: CARPER MCALESTER ATE STATE #003

API: 30-025-38819

OCD Reviewer	Condition
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
CWILLIAMS	Pit liner and contents need to be removed and hauled to disposal or alternative closure method.