

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 South Fourth St. Artesia, NM 88210		2. OGRID Number 25575
		3. API Number 30-025-37543
4. Property Code 35211	5. Property Name MIRANDA BHW STATE COM	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	26	10S	34E	F	1980	N	1980	W	LEA

8. Pool Information

SAND SPRINGS,MISSISSIPPIAN (GAS)	97125
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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 4173
14. Multiple N	15. Proposed Depth 12600	16. Formation Mississippian Age Rocks-Undivided	17. Contractor	18. Spud Date 11/4/2005
Depth to Ground water 49		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	17.5	13.375	48	400	425	0
Int1	12.25	9.625	40	4250	1350	0
Prod	8.75	5.5	17	12600	2100	3750

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Mississippian and intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4250' cement circulated to surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed to gain production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	

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"/> .	OIL CONSERVATION DIVISION		
	Approved By: Paul Kautz		
	Title: Geologist		
	Printed Name: Electronically filed by Debbie Caffall	Approved Date: 11/4/2005 Expiration Date: 11/4/2006	
	Title: Regulatory Agent		
Email Address: debbiec@ypcnm.com			
Date: 11/4/2005	Phone: 505-748-4376	Conditions of Approval Attached	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

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

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 18014

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37543	2. Pool Code 97125	3. Pool Name SAND SPRINGS,MISSISSIPPIAN (GAS)
4. Property Code 35211	5. Property Name MIRANDA BHW STATE COM	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4173

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	26	10S	34E		1980	N	1980	W	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 320.00		13. Joint or Infill		14. Consolidation Code Communitization		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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>E-Signed By: Debbie Caffall Title: Regulatory Agent Date: 11/4/2005</p>	
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Herschel Jones Date of Survey: 11/3/2005 Certificate Number: 3640</p>	

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: MIRANDA BHW STATE COM #001

API: 30-025-37543

Created By	Comment	Comment Date
CYCOWAN	Yates Petroleum Corporation proposes to drill and test the Mississippian and intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4250' cement circulated to surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed to gain production.	11/3/2005
CYCOWAN	Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Mississippian formation to meet the OCD's minimum requirements for the submission of a contingency plan.	11/3/2005
CYCOWAN	MUD PROGRAM: 0-400' FW Gel/Paper; 400'-2232' FW; 2232'-4250' Red Bed Mud/Oil; 4250'-7750" Cut Brine; 7750'-11950' SGel/Starch; 11950'-TD SGel/Starch/4-6%KCL.	11/3/2005
DMULL	Rejecting, sending back to correct property name.	11/4/2005
DMULL	Property name was corrected by adding COM.	11/4/2005

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: MIRANDA BHW STATE COM #001

API: 30-025-37543

OCD Reviewer	Condition
pkautz	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
pkautz	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114