

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 30-015-33175
Property Code 26974	Property Name JUNIOR AWW STATE COM	Well No. 002

Surface Location

UL or Lot J	Section 17	Township 16S	Range 28E	Lot Idn J	Feet From 1980	N/S Line S	Feet From 1980	E/W Line E	County Eddy
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Proposed Pools

Undes. Crow Flats; Morrow				
Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3580
Multiple N	Proposed Depth 9600	Formation Morrow	Contractor	Spud Date

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	400	400	0
Int1	12.25	8.625	24	1900	650	0
Prod	7.875	4.5	11.6	9600	600	5500

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and 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/Spud Mud; 400'-1900' Fresh Water; 1900'-8500' Cut Brine; 8500'-9600' Salt Gel/Starch. BOPE PROGRAM: A 3000# BOPE will be installed on the 5/8" casing and tested daily. NO H2S ANTICIPATED.

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: 01/14/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 01/14/2004

Expiration Date: 01/14/2005

Conditions of Approval:

There are conditions. See Attached.

MARTIN YATES, III
1912 - 1986
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 09, 2004

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

Re: Junior AWW State Com. #2
1980' FSL and 1980' FEL
Section 17, T16S-R28E
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

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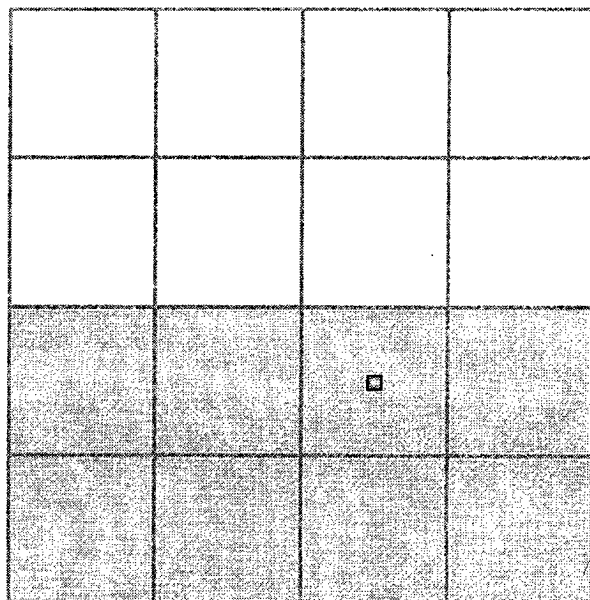
Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33175	Pool Name Undes. Crow Flats; Morrow	Pool Code
Property Code 26974	Property Name JUNIOR AWW STATE COM	Well No. 002
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3580

Surface And Bottom Hole Location

UL or Lot J	Section 17	Township 16S	Range 28E	Lot Idn J	Feet From 1980	N/S Line S	Feet From 1980	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: 01/14/2004

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: Dan Reddy

Date of Survey: 02/07/2001

Certificate Number: 5412

Permit Conditions Of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: JUNIOR AWW STATE COM #002

OCD Reviewer	Condition
BARRANT	Cement to cover ALL oil, gas and water bearing zones.