

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 <b>YATES PETROLEUM CORPORATION</b> 105 South Fourth St. Artesia, NM 88210		OGRID Number <b>25575</b>
		API Number <b>30-005-63636</b>
Property Code <b>33319</b>	Property Name <b>Zipper AZJ State Com.</b>	Well No. <b>001</b>

**Surface Location**

UL or Lot <b>L</b>	Section <b>1</b>	Township <b>07S</b>	Range <b>24E</b>	Lot Idn <b>L</b>	Feet From <b>1980</b>	N/S Line <b>S</b>	Feet From <b>660</b>	E/W Line <b>W</b>	County <b>Chaves</b>
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**Proposed Pools**

<b>Wildcat Precambrian</b>				
Work Type <b>New Well</b>	Well Type <b>GAS</b>	Cable/Rotary	Lease Type <b>State</b>	Ground Level Elevation <b>4050</b>
Multiple <b>N</b>	Proposed Depth <b>5255</b>	Formation <b>Undesignated Precambrian</b>	Contractor	Spud Date <b>01/19/2004</b>

**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	950	625	0
Int1	11	8.625	24	1600	250	0
Prod	7.875	5.5	15.5	5255	500	2900

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Precambrian/intermediate formations. Approximately 950' of surface casing will be set/cemented. 8.625" CASING WILL ONLY BE SET IF LOST CIRCULATION IS ENCOUNTERED. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. NO H2S ANTICIPATED. MUD PROGRAM: 0-950' FWGel/Paper/LCM; 950'- 1600' Cut Brine; 1600'- 3350; Brine; 3350'-5255'Starch/Salt Gel/KCL

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
<b>Double Ram</b>	<b>2000</b>	<b>2000</b>	

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: 01/16/2004

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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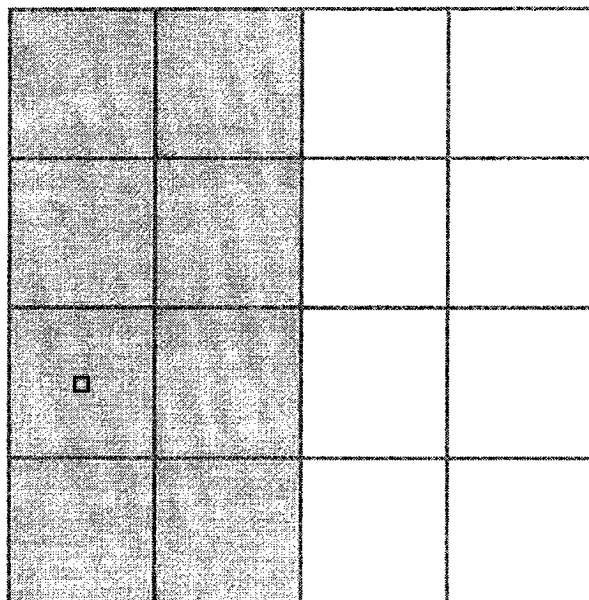
Form C-102

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-005-63636	Pool Name Wildcat Precambrian	Pool Code
Property Code 33319	Property Name Zipper AZJ State Com.	Well No. 001
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4050

**Surface And Bottom Hole Location**

UL or Lot L	Section 1	Township 07S	Range 24E	Lot Idn L	Feet From 1980	N/S Line S	Feet From 660	E/W Line W	County Chaves
Dedicated Acres 320.63		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: 01/16/2004

**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: 01/12/2004

Certificate Number: 3640

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 16, 2004

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

Re: Zipper AZJ State Com. #1  
1980' FSL and 660' FWL  
Section 1, T7S-R24E  
Chaves County, New Mexico  
H2S Contingency Plan

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will be no H2S anticipated from the surface to the Precambrian Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Robert Asher  
Regulatory Agent

## Permit Conditions Of Approval

**Operator: YATES PETROLEUM CORPORATION , 25575**

**Well: Zipper AZJ State Com. #001**

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