

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 30-015-33247
Property Code 12402	Property Name IRISH HILLS KW STATE	Well No. 004

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	2	19S	24E	M	990	S	990	W	Eddy

Proposed Pools

Chester				
Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3696
Multiple N	Proposed Depth 9000	Formation Chester	Contractor	Spud Date 02/18/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	9.625	36	1200	1200	0
Prod	8.75	7	23	9000	1060	0

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Chester and intermediate formations. Approximately 1200' 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: 0-1200' FWGel/LCM; 1200' - 5200' Fresh Water; 5200'-7300'-Cut Brine; 7300' - 9000' Cut Brine/Starch/KCL BOPE PROGRAM: A 3000# BOPE will be installed on the 9 5/8" casing and tested daily. H2S Contingency Plan

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: 02/17/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 02/19/2004 Expiration Date: 02/19/2005

Conditions of Approval:
There are conditions. See Attached.

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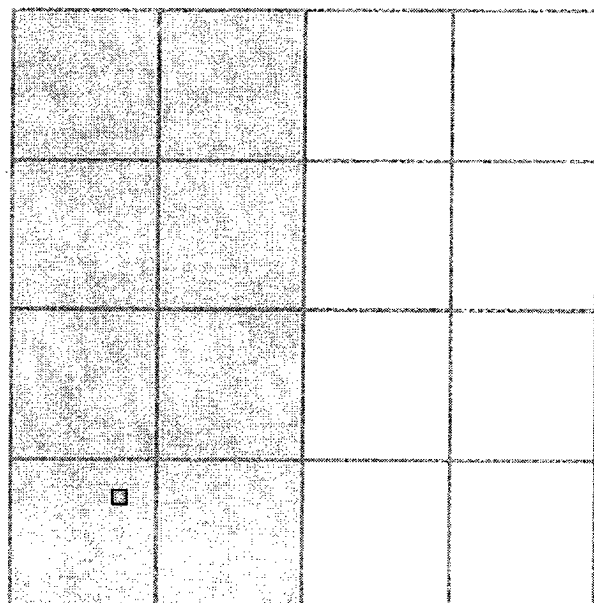
Form C-

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33247	Pool Name Chester	Pool Code
Property Code 12402	Property Name IRISH HILLS KW STATE	Well No. 004
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3696

Surface And Bottom Hole Location

UL or Lot M	Section 2	Township 19S	Range 24E	Lot Idn M	Feet From 990	N/S Line S	Feet From 990	E/W Line W	County Eddy
Dedicated Acres 320.6		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: 02/17/2004

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: 08/26/2003

Certificate Number: 3640

Permit Conditions Of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: IRISH HILLS KW STATE #004

OCD Reviewer	Condition
BARRANT	Notify OCD time of spud and time to witness the cementing of the surface casing.

Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

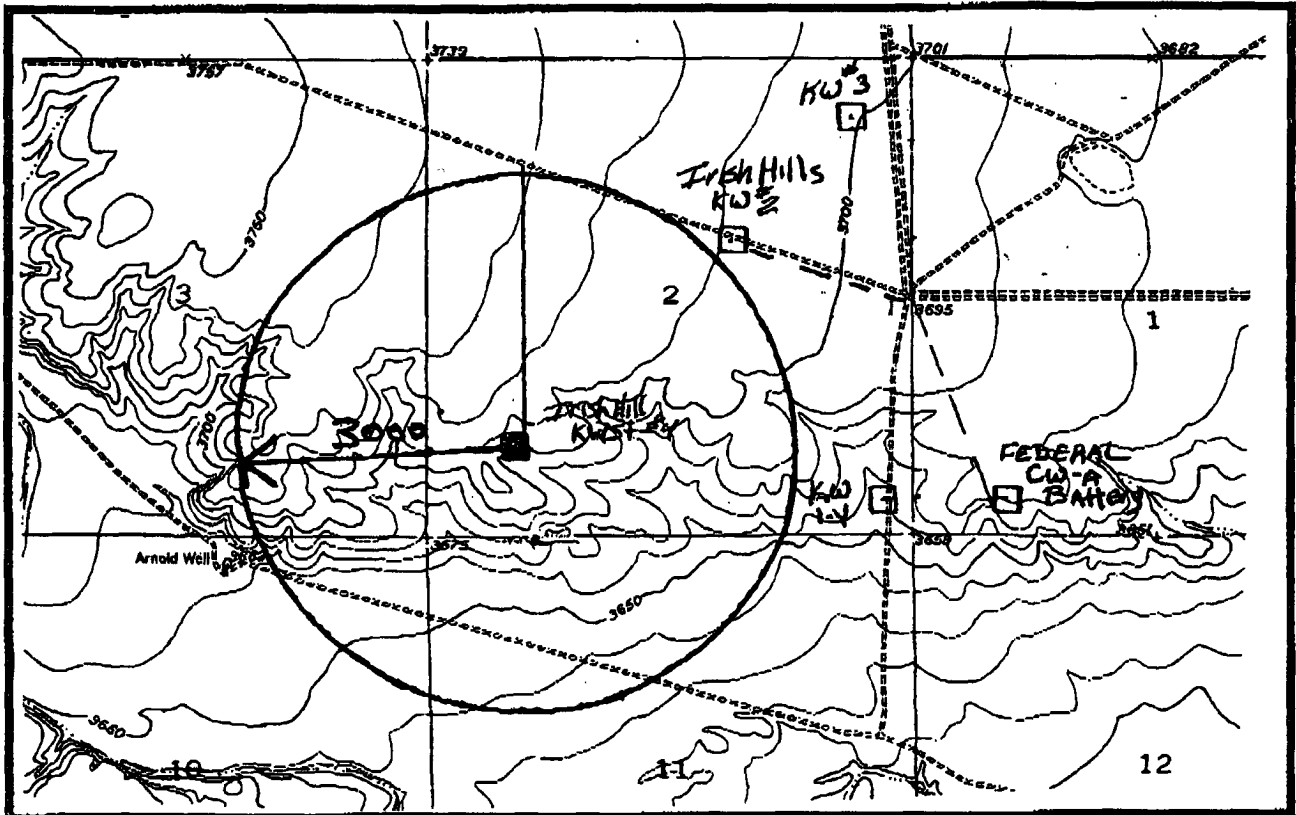
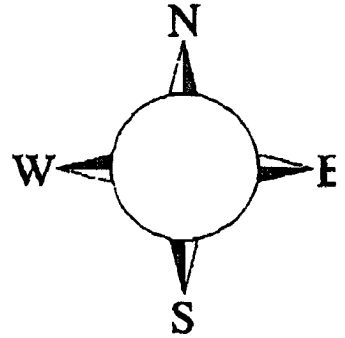
For

Irish Hills KW State #4

**990' FSL, 990' FWL
Sec-2, T-19S, R-24E
Eddy County NM**

Irish Hills KW State #4 Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Irish Hills KW State #4 is located on the east side of the Irish Hills, approximately 1.5 miles north of the intersection of the Irish Hills and the Federal Highway. The site is situated on a hillside with a steep slope. The map shows the location of the site relative to the Irish Hills and the Federal Highway. The site is located on the east side of the Irish Hills, approximately 1.5 miles north of the intersection of the Irish Hills and the Federal Highway. The site is situated on a hillside with a steep slope. The map shows the location of the site relative to the Irish Hills and the Federal Highway.

Emergency Procedures

In the case of a release of gas containing H_2S , the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H_2S , measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H_2S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H_2S and SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Yates Petroleum Corporation Phone Numbers

YPC Office (505) 748-1471
 Pinson McWhorter/Operations Manager (505) 748-4189
 Darrel Atkins/Production Manager (505) 748-4204
 Ron Beasley/Prod Superintendent (505) 748-4210
 Al Springer/Drilling (505) 748-4225
 Paul Hanes/Prod. Foreman/Roswell (505) 624-2805
 Jim Krogman/Drilling Superintendent (505) 748-4215
 Artesia Answering Service (505) 748-4302
 (During non-office hours)

Agency Call List**Eddy County (505)****Artesia**

State Police 746-2703
 City Police 746-2703
 Sheriff's Office 746-9888
 Ambulance 911
 Fire Department 746-2701
 LEPC (Local Emergency Planning Committee) 746-2122
 NMOCD 748-1283

Carlsbad

State Police 885-3137
 City Police 885-2111
 Sheriff's Office 887-7551
 Ambulance 911
 Fire Department 885-2111
 LEPC (Local Emergency Planning Committee) 887-3798
 US Bureau of Land Management 887-6544

New Mexico Emergency Response Commission (Santa Fe) (505) 476-9600
 24 HR (505) 827-9126
 National Emergency Response Center (Washington, DC) ... (800) 424-8802

Other

Boots & Coots IWC 1-800-256-9688 or (281) 931-8884
 Cudd Pressure Control (915) 699-0139 or (915) 563-3356
 Halliburton (505) 746-2757
 B. J. Services (505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX (806) 743-9911
 Aerocare -Rr 3 Box 49f, Lubbock, TX (806) 747-8923
 Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM (505) 842-4433
 S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM (505) 842-4949