

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 30-005-63646
Property Code 33570	Property Name Quiche BEC State	Well No. 001

Surface Location

UL or Lot L	Section 6	Township 10S	Range 27E	Lot Idn 6	Feet From 1980	N/S Line S	Feet From 660	E/W Line W	County Chaves
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Proposed Pools

Wildcat Precambrian				
Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3909
Multiple N	Proposed Depth 6885	Formation Undesignated Precambrian	Contractor	Spud Date 03/05/2004

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	275	0
Int1	11	8.625	24	1200	450	0
Prod	7.875	5.5	15.5	6885	650	950

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Precambrian/intermediate formations. Approximately 400' of surface casing will be set/cemented. If commercial, intermediate and production casing will be run/cemented, will perforate/stimulate as needed for production. NO H2S ANTICIPATED. MUD PROGRAM: 0-400' FWGel/Paper/LCM; 400'-4800' Brine; 4800'- 6885' Starch/Salt Gel/ KCL.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

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: 03/04/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 03/10/2004

Expiration Date: 03/10/2005

Conditions of Approval:

There are conditions. See Attached.

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63646	Pool Name Wildcat Precambrian	Pool Code
Property Code 33570	Property Name Quiche BEC State	Well No. 001
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3909

Surface And Bottom Hole Location

UL or Lot L	Section 6	Township 10S	Range 27E	Lot Idn 6	Feet From 1980	N/S Line S	Feet From 660	E/W Line W	County Chaves
Dedicated Acres 318.58		Joint or Infill		Consolidation Code		Order No.			

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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.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 03/04/2004

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: 02/27/2004

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

March 4, 2004

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

Re: Quiche BEC State #1
1980' FSL and 660' FWL
Section 6, T10S-R27E
Chaves County, New Mexico
H2S Contingency Plan

RECEIVED
MAR - 8 2004
OCD-ARTESIA

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: Quiche BEC State #001

OCD Reviewer	Condition
BARRANT	Operator to tie cement of production casing back to intermediate casing.