

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
Permit 714

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-015-33401
Property Code 12553	Property Name MEDANO VA STATE	Well No. 008

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	16	23S	31E	P	660	S	330	E	Eddy

Proposed Pools

Los Medanos Delaware

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3392
Multiple N	Proposed Depth 8200	Formation Delaware	Contractor	Spud Date 02/12/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	600	700	0
Intl	11	8.625	32	4100	1400	0
Prod	7.875	5.5	15.5	8200	900	0

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Morrow and intermediate formations. Approximately 600' 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: 0-600' FW/Native Mud; 600'- 4100' Brine; 4100'- 6800' Cut Brine; 6800'-8200' Cut Brine/Starch. BOPE PROGRAM: A 3000# BOPE will be installed on the 13 3/8" 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.

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant



April 29, 2004

IMC Potash Carlsbad Inc.
P. O. Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071
505.887.2871

8

Mr. Cy Cowan
Regulatory Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210-2118

Dear Mr. Cowan:

We are in receipt of your letter dated 4/9/04 concerning two APD's for wells in Section 16, T-23-S, R-31-E. IMC Potash Carlsbad Inc. does have a potash lease that includes all of Section 16.

Medano VA State #9 at 1980' FSL & 330' FEL is in our LMR but just outside the enclave as drawn by the BLM. Medano VA State #8 at 660' FSL & 660' FEL is in both our LMR and the BLM's enclave. These locations however have been greatly compromised by previous drilling in the area. Therefore IMC does not object to either location.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider this "no objection" to this location to be valid for one year only. If you are still considering this well location at a date later than one year from today, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

IMC Potash submits this letter in lieu of the forms requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Morehouse".

Dan Morehouse
Supt. of Mine Engineering & Construction

cc: Don Purvis David Waugh

30-015 - 33401



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

RECEIVED

MAR 18 2004

OCD-ARTESIA

February 13, 2004
Bureau of Land Management
620 East Green St.
Carlsbad, NM 88220-6292
Attn: Craig Cranston or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Yates Petroleum Corporation
LEASE NAME: Medano VA State # 8
LOCATION: SEC. 16 TOWNSHIP 23 SOUTH, RANGE 31 EAST,
660' FSL & 330' FEL, Unit P
EDDY COUNTY, NM, NMPM

RECEIVED

FEB 19 2004

OCD-ARTESIA

PROPOSED DEPTH: 8200'

Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

In LMR
In Buffer Zone

Yes ☒ **No** ☐
Yes ☐ **No** ☐

No ☐
No ☐

Comments:

Signature:

Date: 3-16-04



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

RECEIVED
2004 FEB 12 PM 12:25
STATE LAND OFFICE
SANTA FE, N.M.
Oil Conservation Division
L. W. Wrotenbery
Director

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

2nd mailing
1st we've
seen

February 13, 2004
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148
Attn: Joe Mraz or To Whom It May Concern

RECEIVED

MAR 17 2004

OCD-ARTESIA

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Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

In LMR Yes X No _____
In Buffer Zone Yes _____ No _____

John 3-12-04

Comments:

Signature: *[Signature]* Date: 3/12/04