

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 713

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-015-33406
Property Code 12553	Property Name MEDANO VA STATE	Well No. 009

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	16	23S	31E	I	1980	S	330	E	Eddy

Proposed Pools

Los Medanos Delaware

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3390
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

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

#9

30-015-33406

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', written over a horizontal line.

Dan Morehouse
Supt. of Mine Engineering & Construction

cc: Don Purvis David Waugh



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.

Roswell, NM 88220-6292

Attn: Craig Cranston or To Whom It May Concern

RECEIVED

FEB 13 2004

OCD-ARTESIA

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Yates Petroleum Corporation

LEASE NAME: Medano VA State # 9

**LOCATION: SEC. 16 TOWNSHIP 23 SOUTH, RANGE 31 EAST,
1980' FSL & 330' FEL, Unit I
EDDY COUNTY, NM, NMPM**

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

Yes ☒

No ☐

In Buffer Zone

Yes ☐

No ☐

Comments:

Signature:

Date: 3-16-04



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

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

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FEB 13 2004

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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

JRM
3-12-04

Comments:

Signature: *Bryan G. Arrant* Date: 3/12/04



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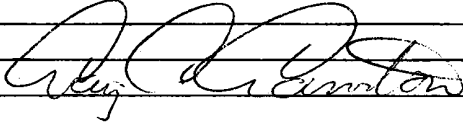
Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOC

In LMR	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
In Buffer Zone	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Comments:

Signature:  Date: 3-16-04