

## Energy, Minerals and Natural Resources

## Oil Conservation Division

**1220 S. St Francis Dr.**

**Santa Fe, NM 87505**

## APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-025-39105
4. Property Code 32847	5. Property Name MANDRELL STATE UNIT	6. Well No. 002

## 7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	18	14S	35E	K	1650	S	1980	W	LEA

## 8. Pool Information

Wildcat Mississippian	
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### Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4061	
14. Multiple N	15. Proposed Depth 13700	16. Formation Mississippian Age Rocks-Undivided	17. Contractor	18. Spud Date	
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water	
Pit:	Liner: Synthetic <input type="checkbox"/>	mils thick	Clay <input type="checkbox"/>	Pit Volume: bbls	Drilling Method:
<input type="checkbox"/> Closed Loop System				Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/>	Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>

## 19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	500	
Int1	12.25	9.625	40	6150	1800	
Prod	8.75	5.5	17	13700	2500	5650

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Pennsylvanian and intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 6150', cement circulated to surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed to gain production.

### Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Monti Sanders	Approved By: Paul Kautz	
Title:	Title: Geologist	
Email Address: montis@ypcnm.com	Approved Date: 8/25/2008      Expiration Date: 8/25/2010	
Date: 8/25/2008      Phone: 575-748-4244		

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
 Permit 80866

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-39105	2. Pool Code	3. Pool Name Wildcat Mississippian
4. Property Code 32847	5. Property Name MANDRELL STATE UNIT	6. Well No. 002
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4061

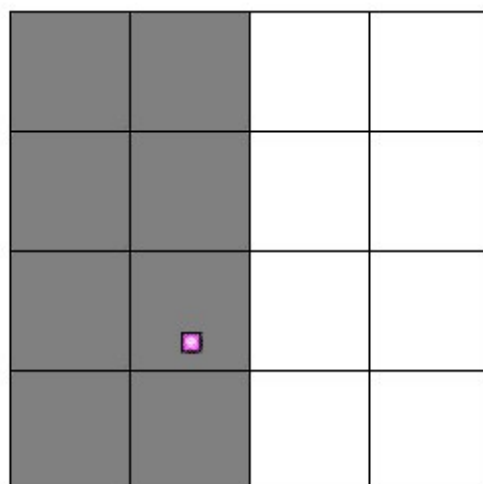
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	18	14S	35E		1650	S	1980	W	LEA

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 319.60		13. Joint or Infill		14. Consolidation Code		15. Order No.			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

E-Signed By: Monti Sanders

Title:

Date: 8/25/2008

**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: Gary L. Jones

Date of Survey: 8/21/2008

Certificate Number: 7977

## Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: MANDRELL STATE UNIT #002

API: 30-025-39105

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-400' w/FW/Paper; 400'-2960' w/FW; 2060'-6150' w/FW going to Brine; 6150'-12470' w/Cut Brine; 12470'-12700' w/Salt Gel/Starch.	8/25/2008
MSANDERS	BOPE PROGRAM: A 5000# BOPE Double Ram BOPE will be installed on the 13 3/8" and the 9 5/8" casing and tested daily for operational.	8/25/2008
MSANDERS	Sources at Yates Petroleum Corporation have relayed to me that they believe there will not be enough H2S found from the Surface to the Mississippian formation to meet to OCD's minimum requirements for the submission of a contingency plan per Rule 118.	8/25/2008
MSANDERS	C-144 for a Closed Loop System will follow by mail.	8/25/2008
DMULL	Received form C-144 :Pit Registration". OCD Permit Number P1-00351.	8/25/2008