

## 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 30-025-39302
4. Property Code 34647	5. Property Name VINCE BGH	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
G	30	09S	35E	G	1980	N	1650	E	LEA

## 8. Pool Information

JENKINS:DEVONIAN	33930
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### Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 4179
14. Multiple N	15. Proposed Depth 12660	16. Formation Devonian	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
<b>Pit:</b> Liner: Synthetic <input type="checkbox"/> mls thick      Clay <input type="checkbox"/> Pit Volume:      bbls      Drilling Method: Closed Loop System <input type="checkbox"/> 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	2200	425	0
Int1	12.25	9.625	40	4100	1325	0
Prod	8.75	7	26	12660	1475	3600

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Devonian/intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4100'; cement circulated to surface. If commercial, production casing will be ran, cemented, perforated and stimulated 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: 12/24/2008   Expiration Date: 12/24/2010	
Date: 12/12/2008   Phone: 575-748-4244		Conditions of Approval Attached	



**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 84406

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-39302	2. Pool Code 33930	3. Pool Name JENKINS;DEVONIAN
4. Property Code 34647	5. Property Name VINCE BGH	6. Well No. 002
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4179

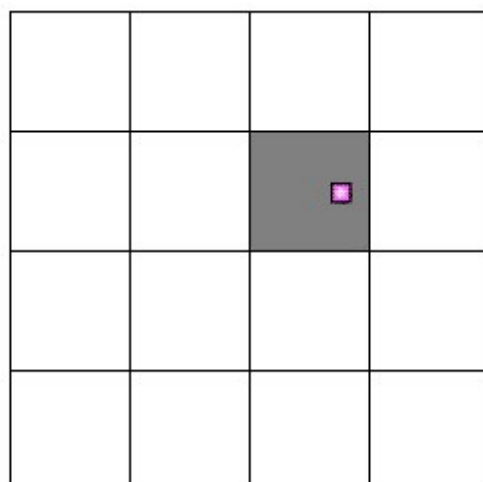
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	30	09S	35E		1980	N	1650	E	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 40.00		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: 12/12/2008

**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 Jones

Date of Survey: 11/24/2008

Certificate Number: 7977



# Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: VINCE BGH #002

API: 30-025-39302

Created By	Comment	Comment Date
clif	Mud Program: 0 to 400' with Fresh Water Gel; 400' to 2200' with Fresh Water; 2200' to 4100' with Red Bed Mud/Oil; 4100' to 7600' with Cut Brine; 7600' to 11190 with SW Gel/Starch; 11190 to 11750' with SW Gel/Starch/4-6% KCL; 11750' to 12660' with SW Gel/Starch/4-6% KCL.	10/30/2008
clif	BOPE Program: A 5000 psi BOPE system will be installed on the 9 5/8" casing and tested daily for operational.	10/30/2008
clif	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from surface to TD to meet OCD's minimum requirements for the submission of a contingency plan per Rule 118.	10/30/2008
clif	The new C-144 that reflects the rule changes effective June 16, 2008 will be submitted via fax and then hard copy to follow in the mail to the appropriate OCD district office (reserve pit).	10/30/2008
DMULL	OCD received form C-144 "Pit Registration". OCD Permit Number P1-00809.	12/24/2008



# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: VINCE BGH #002

API: 30-025-39302

OCD Reviewer	Condition
pkautz	Surface casing must be set at top of Rustler Anhydrite in order to protect waters in the Sant Rosa