

**State of New Mexico**  
**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 30-015-34942
4. Property Code 35757	5. Property Name IVEY BFV	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	4	19S	26E	P	660	S	850	E	EDDY

**8. Pool Information**

WC: MISSISSIPPIAN GAS	97338
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**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3345
14. Multiple N	15. Proposed Depth 9650	16. Formation Chester	17. Contractor	18. Spud Date
Depth to Ground water 99		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 24000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" 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	850	450	0
Int1	12.25	9.625	36	1500	675	0
Prod	8.75	5.5	15.5	9650	2600	700

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill/test the Wildcat Mississippian and intermediate formations. Approximately 850' of surface casing will be set/cemented to shut off gravel and cavings. If commercial, production casing will be run/cemented; will perforate/stimulate as needed for 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 checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Bryan Arrant	
Printed Name: Electronically filed by dusty bean	Title: Geologist	
Title: Regulatory Tech	Approved Date: 6/16/2006	Expiration Date: 6/16/2007
Email Address: dustyb@ypcnm.com		
Date: 6/2/2006	Phone: 505-748-4364	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

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Form C-102  
 Permit 28116

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-34942	2. Pool Code 97338	3. Pool Name WC: MISSISSIPPIAN GAS
4. Property Code 35757	5. Property Name IVEY BFV	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3345

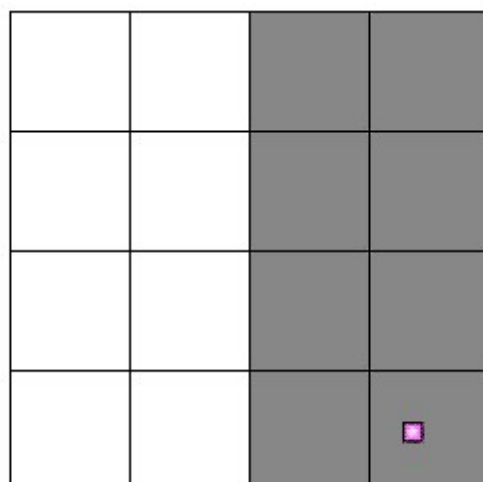
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	4	19S	26E		660	S	850	E	EDDY

**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 318.07		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: dusty bean  
 Title: Regulatory Tech  
 Date: 6/2/2006

**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: 2/2/2005  
 Certificate Number: 3640

## Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: IVEY BFV #001

API: 30-015-34942

Created By	Comment	Comment Date
DCAFFALL	Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Chester formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	5/8/2006
DCAFFALL	MUD PROGRAM: 0-550' FW Gel/Spud Mud; 550' – 1500' FW; 1500' - 8300' Cut Brine; 8300'– TD Salt Gel/Starch.	5/8/2006
DCAFFALL	Mud Program correction: 0-850 FW Gel/Spud Mud; 850'-1500 FW;	6/2/2006

# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: IVEY BFV #001

API: 30-015-34942

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted,operator to drill surface and intermediate hole with fresh water mud.
BArrant	Please notify OCD time of spud and time to witness the cementing of the surface and intermediate casing.