

**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 30-05-27958
4. Property Code 36457	5. Property Name TILLIS BJZ	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
A	34	11S	31E	A	990	N	660	E	CHAVES

**8. Pool Information**

Mississippian	0
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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 4455
14. Multiple N	15. Proposed Depth 11350	16. Formation Mississippian Age Rocks-Undivided	17. Contractor	18. Spud Date
Depth to Ground water 76		Distance from nearest fresh water well 460		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 24000 _____ 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	14.75	11.75	42	400	275	
Int1	11	8.625	24	3600	1000	
Prod	7.875	5.5	17	11350	1375	

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Mississippian/Intermediate formations. Approximately 400' of surface casing will be set/cement circulated to shut off gravel and cavings. Intermediate casing will be set @ 3600', cement circulated to the surface. If commercial, production casing will be ran and cemented, perforated, and stimulated 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 NMOCB guidelines <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Paul Kautz	
Printed Name: Electronically filed by Shirley Pruitt	Title: Geologist	
Title:	Approved Date: 4/18/2007	Expiration Date: 4/18/2008
Email Address: shirleyp@ypcnm.com		
Date: 4/17/2007	Phone: 505-748-4356	Conditions of Approval Attached

District IIDistrict IIIDistrict IV

## Energy, Minerals and Natural Resources

## Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-05-27958	2. Pool Code	3. Pool Name Mississippian
4. Property Code 36457	5. Property Name TILLIS BJZ	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4455

## 10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	34	11S	31E		990	N	660	E	CHAVES

## 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 320.00		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**

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## 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: Shirley Pruitt

Title:

Date: 4/17/2007

## 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: 4/16/2007

Certificate Number: 3640

# Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: TILLIS BJZ #001

API: 30-05-27958

Created By	Comment	Comment Date
DCAFFALL	Mud Program:0-400'FW Gel;400-1450'FW; 1450'-3600'Red Bed Mud/Oil;3600'-7100' Cut Brine; 7100'-10460'SWGel/Starch; 10460'- 11000'SWGel/Starch 4-6% KCL; 11000'-11350'SWGel/Starch 4-6% KCL.	4/13/2007
DCAFFALL	BOPE Program: A 5000# BOPE will be installed on the 8 5/8" casing and tested daily for operational. Wellhead: 11" x 8 5/8 5K S.O.W. with baseplate.	4/13/2007
DCAFFALL	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be sufficient H2S found from the surface to the Mississippian formation to meet the OGD's minimum requirements for the submission of a contingency plan per Rule 118.	4/13/2007

# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: TILLIS BJZ #001

API: 30-05-27958

OCD Reviewer	Condition
pkautz	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