

## 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 30-025-39003
4. Property Code 34834	5. Property Name PARTON BGY STATE	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
P	8	10S	34E	P	660	S	660	E	LEA

## 8. Pool Information

X-4 RANCH: MISSISSIPPIAN, WEST (GAS)	97437
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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 4232
14. Multiple N	15. Proposed Depth 12420	16. Formation Mississippian Age Rocks-Undivided	17. Contractor	18. Spud Date 7/2/2008
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	400	400	
Int1	12.25	9.625	40	4150	1450	
Prod	8.75	5.5	17	12420	2650	

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Mississippian and intermediate formations. Approximately 400' of casing will be set and cement circulated. Intermediate casing will be set at 4150', cemented and circulated to the surface. If commercial, production casing will be run and cemented, will perforate and 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 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: 7/3/2008   Expiration Date: 7/3/2010	
Date: 7/2/2008   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 78017

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-39003	2. Pool Code 97437	3. Pool Name X-4 RANCH;MISSISSIPPIAN, WEST (GAS)
4. Property Code 34834	5. Property Name PARTON BGY STATE	6. Well No. 002
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4232

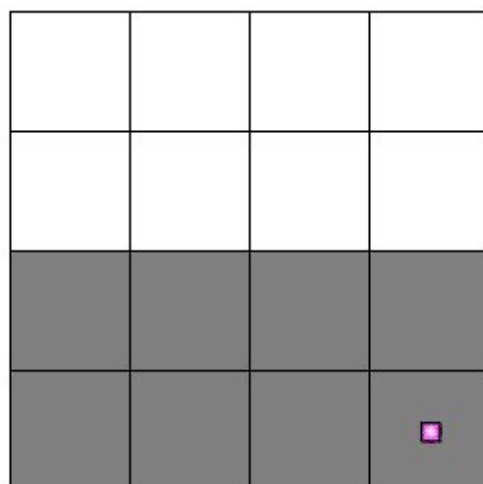
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	8	10S	34E		660	S	660	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 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**



**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: 7/2/2008

**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: 7/2/2008

Certificate Number: 7977

## Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: PARTON BGY STATE #002

API: 30-025-39003

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-400' FW/Paper; 400'-2100' FW; 2100'-4150' Red Bed Mud/Oil; 4150'-7700' Cut Brine; 7700'-11564' Salt/Gel/Oil/Starch; 11564'-TD SW/Starch/4-6% KCL.	7/2/2008
MSANDERS	BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily for operational.	7/2/2008
MSANDERS	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Mississippian formation to meet the OCD's minimum requirements for the submission of contingency plan per Rule 118.	7/2/2008
MSANDERS	COMMENT: The C-144 using a closed loop system will be faxed with hard copy to follow by mail.	7/2/2008

# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: PARTON BGY STATE #002

API: 30-025-39003

OCD Reviewer	Condition
DMULL	Per Cliff May with Yates, The #1 will not produce from the Mississippian.
DMULL	C-144 Received and approved. Permit # P1-0080.
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