

## 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 30-05-29084
4. Property Code 37102	5. Property Name BOOMERANG 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
E	25	08S	33E	E	1980	N	660	W	CHAVES

## 8. Pool Information

TOBAC:UPPER PENN	59350
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### Additional Well Information

Additional well information				
9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4337
14. Multiple N	15. Proposed Depth 9550	16. Formation Pennsylvanian	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"/> 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	14.75	11.75	42	2000	260	0
Int1	11	8.625	24	3900	1050	0
Prod	7.875	5.5	15.5	9550	1050	3400

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Upper Penn/intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 3,900; cement circulated to the surface. If commercial, production casing will be ran, cemented, perforated and stimulated as need to gain production.

### Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

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:		Approved Date: 3/23/2009	Expiration Date: 3/23/2011
Email Address: montis@yatespetroleum.com			
Date: 3/17/2009	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 92032

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-05-29084	2. Pool Code 59350	3. Pool Name TOBAC;UPPER PENN
4. Property Code 37102	5. Property Name BOOMERANG STATE UNIT	6. Well No. 002
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4337

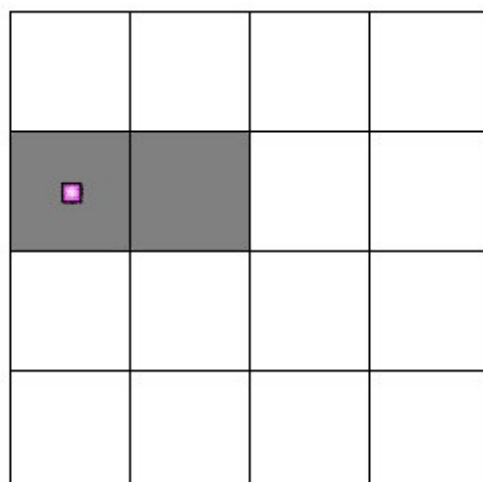
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	25	08S	33E		1980	N	660	W	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 80.00		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: 3/17/2009

**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: 3/6/2009

Certificate Number: 7977

## Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BOOMERANG STATE UNIT #002

API: 30-05-29084

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-400' Fresh Water Gel; 400'-2,084' Fresh Water; 2,084'-3,900' Red Bed Mud/Oil; 3,900'-7,500' Cut Brine; 7,500'-9,550' SW Gel/Starch.	3/17/2009
MSANDERS	BOPE PROGRAM: 3000# PSI BOP nipped up on 8 5/8" casing.	3/17/2009
MSANDERS	H2S is not anticipated	3/17/2009
MSANDERS	A closed loop system will be used, C-144 to follow by mail.	3/17/2009
DMULL	OCD received form C-144 "Pit Registration". OCD Permit Number P1-00982.	3/23/2009

# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BOOMERANG STATE UNIT #002

API: 30-05-29084

OCD Reviewer	Condition
pkautz	Surface casing must be set top Rustler Anhydrite