

Upper Pennsylvanian (Cisno) and Strawn
Gas Pools

[illegible]

Avoka Gas Pools

[illegible]

- Little Box Canyon - Morrow Gas Pool (80240)
- created by Order No. R-5131 on January 1, 1976
- governed under Division Rule 104.C(13)

[illegible]

CMD :
OG5SECT

.ONGARD
INQUIRE LAND BY SECTION

10/13/05 12:33:05
OGOMES -TPXR
PAGE NO: 2

Sec : 32 Twp : 20H Rng : 22E Section Type : NORMAL

4 28.44 CS VB0564 0000 YATES PETROLEUM C 07/01/09	3 29.39 CS VB0564 0000 YATES PETROLEUM C 07/01/09	2 30.32 CS VB0564 0000 YATES PETROLEUM C 07/01/09 A	1 31.31 CS VB0564 0000 YATES PETROLEUM C 07/01/09
M 40.00 CS VB0564 0000 YATES PETROLEUM C 07/01/09	N 40.00 CS VB0564 0000 YATES PETROLEUM C 07/01/09	O 40.00 CS VB0564 0000 YATES PETROLEUM C 07/01/09	P 40.00 CS VB0564 0000 YATES PETROLEUM C 07/01/09

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

279.46 acres total

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Ave., Artesia, NM 88210

District III
1000 Rio Bravo Rd., Aztec, NM 87410

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 15726

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
Property Code 35111		API Number 30-015-34351
Property Name COOGAN AUN STATE		Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	32	20H	22E	2	660	N	1850	E	Eddy

Proposed Pools

Undesignated Morrow				
Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4271
Multiple N	Proposed Depth 8500	Formation Morrow	Contractor	Spud Date 09/16/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	9.625	36	1800	1450	0
Prod	8.75	5.5	15.5	8500	2100	1300

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 1800' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial production casing will be run and cemented, and will perforate and stimulate as needed for production. Mud program: 0-1800' Air, 1800'-8000' Cut Brine; 8000'-TD Salt Gel/Starch/4% -6% KCL.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 09/23/2005

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 09/26/2005 Expiration Date: 09/26/2006

Conditions of Approval:
There are conditions. See Attached.

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Form C-102
Permit 15726

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34351	Pool Name Undesignated Morrow	Pool Code
Property Code 35111	Property Name COOGAN AUN STATE	Well No. 001
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4271

Surface And Bottom Hole Location

UL or Lot B	Section 32	Township 20N	Range 22E	Lot Idn 2	Feet From 660	N/S Line N	Feet From 1850	E/W Line E	County Eddy
Dedicated Acres 279.46		Joint or Infill		Consolidation Code		Order No.			

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall
Title: Regulatory Technician
Date: 09/23/2005

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.

Electronically Signed By: Hershel Jones
Date of Survey: 07/15/2005
Certificate Number: 3640

Permit Conditions Of Approval
C-101, Permit 15726

Operator: YATES PETROLEUM CORPORATION , 25575

Well: COOGAN AUN STATE #001

OCD Reviewer	Condition
BARRANT	If earthen pits are used in association with the drilling of this well, the requirements of Rule 50 must be met.
BARRANT	Please notify operator time of spud and time to witness the cementing of the water protection string of casing.

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: COOGAN AUN STATE #001

User Name	Comment	Comment Date
	30-015-34351	
CYCOWAN	Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Morrow formation to meet the OCD's minimum requirements for the submission of a contingency plan.	9/15/2005
CYCOWAN	Sources available have been accessed for the captioned well. With this information obtained from the web site determines the sight ranking for this well is 10 points. With this ranking deep trench, burial, and capping will take place at pit closure.	9/15/2005
CYCOWAN	Any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines with approved general permit on file.	9/15/2005
BARRANT	Cut brine as noted in your casing program on the fill in the blank section cannot be used to drill into a fresh water aquifer.	9/23/2005