

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

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

District III
1000 Rio Brazos 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 1295

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address		OGRID Number
YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		25575
		API Number
		30-025-36799
Property Code	Property Name	Well No.
32256	WAYLON STATE UNIT	005

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	21	11S	34E	H	1980	N	970	E	Lea

Proposed Pools

Wildcat Mississippian

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4167
Multiple N	Proposed Depth 12560	Formation Mississippian Age Rocks- Undivided	Contractor	Spud Date 08/04/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	400	0
Int1	12.25	9.625	36	4150	1550	0
Prod	8.75	5.5	15.5	12560	2600	3650

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Mississippian and intermediate formations. Approximately 400 feet of surface casing will be set and cemented. If commercial, intermediate and production Casing will be run and cemented, will perforate and stimulate as needed for production. No H2S is anticipated. MUD PROGRAM: 0-400' FW/Spud Mud; 400-2055' Fresh Water; 2055-4150 Red Bed Mud/Oil; 4150-7650' Cut Brine; 7650-9700' Salt Gel/Oil; 9700-11585 Salt Gel/Starch; 11585-12560 SW/Starch/4% KCL. BOPE PROGRAM: A 5000# Double Ram BOPE will be installed and tested daily.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

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: 08/02/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Chris Williams

Title: District Supervisor

Approval Date: 08/03/2004

Expiration Date: 08/03/2005

Conditions of Approval:
No Conditions