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

Form C-101

Permit 1639

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL

YATES PETROLEUM CORPO	OGRID Number 25575		
105 South Fourth St. Artesia, NM 88210	05 South Fourth St.		
Property Code 30591	Property Name GLOBAL BBG	Well No. 003	

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	12	16S	35E	N	330	S	2310	W	Lea

Proposed Pools

BIG DOG; STRAWN, SOUTH 96690

Work Type	Well Type	Cable/Rotary	Lease Type	Ground Level Elevation
New Well	OIL		Private	3968
Multiple	Proposed Depth	Formation	Contractor	Spud Date
N	11900	Strawn		10/02/2004

Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	450	450	0
Int1	12.25	9.625	36	4750	1450	0
Prod	8.75	5.5	17	11900	450	9100

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Strawn and intermediate formations. Approximately 450 feet of surface casing will be set and cemented. Intermediate casing will be set at 4750 and cement circulated to the surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production. No H2S is anticipated. MUD PROGRAM: 0-450' FW Gel/Paper; 450-4750' Brine; 4750-11200' Fresh water with sweeps as needed; 11200-11900 SW Gel/Starch/Drispac. BOPE PROGRAM: A 5000# Double Ram BOPE will be installed and tested daily.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Mamufacturer
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: 10/01/2004 Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 10/04/2004 Expiration Date: 10/04/2005

Conditions of Approval:

There are conditions. See Attached.