

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 2536

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES DRILLING CO 105 South 4th Street Artesia, NM 88210		OGRID Number 25513
		API Number 30-015-33752
Property Code 34379	Property Name SPURCK 16 STATE	Well No. 003

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	16	17S	28E	C	660	N	1980	W	Eddy

Proposed Pools

Un. Red Lake Shores Glorietta Yeso

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3558
Multiple N	Proposed Depth 4000	Formation Yeso Formation	Contractor	Spud Date 11/12/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	400	300	0
Int1	11	8.625	24	2000	725	0
Prod	7.875	5.5	15.5	4000	550	1500

Casing/Cement Program: Additional Comments

YDC proposes to drill/test the Yeso and intermediate formations. Approx. 400 ft. of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production.MUD PROGRAM: 0-400FW Gel/Paper; 400-2000Brine; 2000-TD Cut Brine.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

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: 11/11/2004

Phone: 5057484364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 12/04/2004

Expiration Date: 12/04/2005

Conditions of Approval:
No Conditions