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 7888

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address	OGRID Number
YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210	25575
	API Number 30-015-33999

Property Code	Property Name	Well No.
34685	COHIBA BGK STATE	001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	1	25S	27E	4	660	N	660	W	Eddy

Proposed Pools

Bone Spring

Work Type	Well Type	Cable/Rotary	Lease Type	Ground Level Elevation
New Well	OIL		State	3144
Multiple	Proposed Depth	Formation	Contractor	Spud Date
N	8500	Bone Spring		

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	600	400	0
Intl	12.25	9.625	36	2200	875	0
Prod	8.75	5.5	23	8500	2400	1700

Casing/Cement Program: Additional Comments

Yates Peterleum Corporation proposes to drill and test the Bone Spring and intermediate formations. Approximately 400 of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production. MUD PROGRAM: 0-400 FW/Spud Mud; 400-2200 Brine; 2200-8500 Cut Brine

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	OIL CONSERVATION DIVISION
	Electronically Approved By: Bryan Arrant
Title: Regulatory Technician	Title: Geologist
Date: 03/08/2005 Phone: 505-748-4364	Approval Date: 03/14/2005 Expiration Date: 03/14/2006
	Conditions of Approval: There are conditions. See Attached.