

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 15749

### APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-025-37454
Property Code 29489	Property Name NEW GRASS STATE UNIT	Well No. 003

### Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	15	15S	34E	P	660	S	660	E	Lea

### Proposed Pools

GRASSLAND;MISS, NORTHEAST (GAS) 97337
---------------------------------------

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4079
Multiple N	Proposed Depth 13600	Formation Mississippi Limestone	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	17.5	13.375	48	400	400	0
Int1	12.25	9.625	40	6200	2150	0
Prod	8.75	5.5	17	13600	2000	5700

### Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Mississippian 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, and will perforate and stimulate as needed for production.

### 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: 09/15/2005

Phone: 505-748-4364

### OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 09/16/2005

Expiration Date: 09/16/2006

Conditions of Approval:

There are conditions. See Attached.