

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 1067

### APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-005-63659
Property Code 34035	Property Name KILLER BEE STATE COM.	Well No. 001

### Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	32	10S	26E	F	1880	N	1500	W	Chaves

### Proposed Pools

Wildcat Precambrian
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3679
Multiple N	Proposed Depth 5880	Formation Undesignated Precambrian	Contractor	Spud Date 06/04/2004

### 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	600	600	0
Intl	11	8.625	24	1500	400	0
Prod	7.875	5.5	15.5	5880	575	2000

### Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Precambrian/intermediate formations. Approximately 600' of surface casing will be set/cemented. 8.625" intermediate casing will only be set if lost circulation is encountered. If commercial production casing will be run/cemented, perforate/stimulate as needed for production. No H2S is anticipated. 2000# Double Ram BOP. MUD PROGRAM: 0-600' FW/Gel/Paper/LCM; 600'- 1500' FW; 1500'-4050' Brine; 4050' - 5880' Starch/Salt Gel/4-6% KCL.

### 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.

### OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



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DENNIS G. KINSEY  
TREASURER

June 3, 2004

Mr. Bryan Arrant  
Oil Conservation Division, District II Office  
1301 W. Grand Ave.  
Artesia, NM 88210

Re: Killer BEE State Com. #1  
1880' FNL and 1500' FWL  
Section 32, T10S-R26E  
Chaves County, New Mexico  
H2S Contingency Plan  
30-005-63659

RECEIVED  
JUN 04 2004  
OCD-ARTESIA

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Undesignated Precambrian Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Debbie L. Caffall  
Regulatory Technician