

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 1171

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-005-63678
Property Code 34106	Property Name STINGRAY STATE UNIT	Well No. 001

Surface Location

UL or Lot B	Section 18	Township 10S	Range 27E	Lot Idn B	Feet From 660	N/S Line N	Feet From 1980	E/W Line E	County Chaves
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Proposed Pools

Wildcat Precambrian

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3829
Multiple N	Proposed Depth 6765	Formation Silurian	Contractor	Spud Date 07/06/2004

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	400	0
Int1	11	8.625	24	1300	525	0
Prod	7.875	5.5	15.5	6765	650	

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Precambrian/intermediate formations. Approximately 400' of surface casing will be set/cemented. If commercial, production casing will be run/cemented, perforate/stimulate as needed for production. MUD PROGRAM: 0-400 FW/Gel/Paper/LCM; 400'- 1300' Fresh Water; 1300 -4900 Cut Brine/Brine; 4900'-6765' Starch/Salt Gel/4-6% KCL. BOPE PROGRAM: A 3000# Double Ram BOPE will be installed and tested daily.

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

Title: Regulatory Technician

Date: 07/02/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 07/18/2004 Expiration Date: 07/18/2005

Conditions of Approval:
There are conditions. See Attached.