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 13315

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address	OGRID Number
YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210	25575

	API Number
	30-015-34245

Property Code	Property Name	Well No.
34933	GOLDFINGER BGV STATE COM	001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	23	18S	24E	O	660	S	1600	E	Eddy

Proposed Pools

PENASCO DRAW;MORROW (GAS)   82770

Work Type	Well Type	Cable/Rotary	Lease Type	Ground Level Elevation
New Well	GAS		State	3708

Multiple	Proposed Depth	Formation	Contractor	Spud Date
N	8850	Morrow		07/14/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	9.625	36	1200	1075	0
Prod	8.75	5.5	15.5	8850	2450	0

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 1200of 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: 0-1200 FW GEL/LCM, 1200-3900 Cut Brine; 3900-8000 Cut Brine; 8000-TD Cut Brine/Starch/4%-6%KCL.

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: 07/12/2005   Phone: 505-748-4364

OIL CONSERVATION DIVISION
Electronically Approved By: Bryan Arrant
Title: Geologist
Approval Date: 07/28/2005   Expiration Date: 07/28/2006
Conditions of Approval: There are conditions. See Attached.