

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 13408

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-015-34246
Property Code 16544	Property Name SQUIRES ALR	Well No. 002

Surface Location

UL or Lot I	Section 12	Township 24S	Range 30E	Lot Idn I	Feet From 2050	N/S Line S	Feet From 330	E/W Line E	County Eddy
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Proposed Pools

Bone Spring
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Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type Private	Ground Level Elevation 3536
Multiple N	Proposed Depth 8240	Formation Bone Spring	Contractor	Spud Date

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	650	750	0
Int1	11	8.625	32	4100	1250	0
Prod	7.875	5.5	15.5	8240	700	3700

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Bonespring and intermediate formations. Approximately 900 of surface casing will be set and cement 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: 0-900 native mud 900-4100 Brine 4100-6400 cut brine; 6400-TD cut Brine/stack BOPE PROGRAM: A 3000# BOPE will be installed on the 15 3/8 casing 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: 07/15/2005

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:  
No Conditions