

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-025-37642
4. Property Code 35361	5. Property Name HOYT STATE UNIT	6. Well No. 003

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	9	10S	35E	N	660	S	1650	W	LEA

**8. Pool Information**

Wildcat Mississippian	0
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**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4124
14. Multiple N	15. Proposed Depth 12610	16. Formation Mississippi Limestone	17. Contractor	18. Spud Date
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 24000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	450	0
Int1	12.25	9.625	40	4200	1300	0
Prod	9.75	5.5	17	12610	1700	3700

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Mississippian/intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4200', cement circulated to surface. If commercial, production casing will be ran and cemented, perforated, and stimulated as need to gain production.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Chris Williams	
	Title: District Supervisor	
	Approved Date: 1/19/2006	Expiration Date: 1/19/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by Debbie Caffall

Title: Regulatory Agent

Email Address: debbiec@ypcnm.com

Date: 1/17/2006

Phone: 505-748-4376

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102  
 Permit 21682

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-37642	2. Pool Code	3. Pool Name Wildcat Mississippian
4. Property Code 35361	5. Property Name HOYT STATE UNIT	6. Well No. 003
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4124

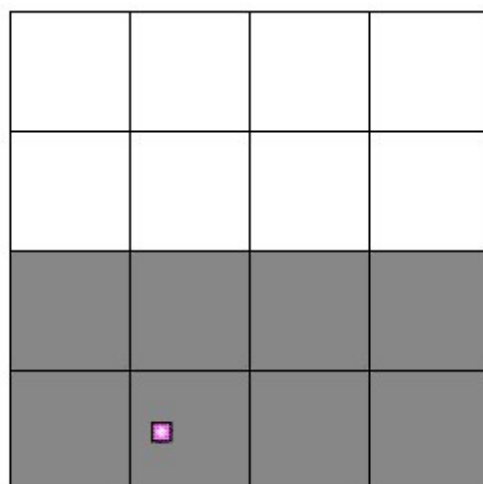
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	9	10S	35E		660	S	1650	W	LEA

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

E-Signed By: Debbie Caffall  
 Title: Regulatory Agent  
 Date: 1/17/2006

**SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Surveyed By: Herschel Jones  
 Date of Survey: 1/13/2006  
 Certificate Number: 3640

## Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: HOYT STATE UNIT #003

API: 30-025-37642

Created By	Comment	Comment Date
dustyb	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the Mississippian formation to meet the OCD's minimum requirements for the submissin of a contingency plan per Rule 118.	1/17/2006
dustyb	MUD PROGRAM: 1-400' FW Gel; 400'-2160' FW; 2160'-4200' Red Bed Mud/Oil; 4200'-7700' Cut Brine; 7700'-11550' SW Gel/Starch; 11550-TD SW Gel/Starch/4-6% KCL	1/17/2006
dustyb	BOPE PROGRAM; A 5000# BOPE will be installed on the 9.625" casing and tested daily for operational.	1/17/2006
DMULL	Wildcat Mississippian, 320 acres, S/2.	1/18/2006

# Permit Conditions of Approval

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** HOYT STATE UNIT #003

**API:** 30-025-37642

OCD Reviewer	Condition
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines