

**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 30-025-37843
4. Property Code 35625	5. Property Name DOOR BIW STATE	6. Well No. 001

**7. Surface Location**

UL - Lot I	Section 1	Township 16S	Range 35E	Lot Idn I	Feet From 2310	N/S Line S	Feet From 660	E/W Line E	County LEA
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**8. Pool Information**

Big Dog Strawn South	96690
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3966
14. Multiple N	15. Proposed Depth 11692	16. Formation Strawn	17. Contractor	18. Spud Date
Depth to Ground water 60		Distance from nearest fresh water well 200		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 type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" 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	450	450	0
Int1	12.25	9.625	36	4750	1600	0
Prod	8.75	5.5	17	11692	1675	0

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Strawn/intermediate formations. Approximately 450' of surface casing will be set and cement circulated to shut off cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for 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"/> .	OIL CONSERVATION DIVISION	
	Approved By: Chris Williams	
	Title: District Supervisor	
	Approved Date: 4/27/2006	Expiration Date: 4/27/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by dusty bean	
Title: Regulatory Tech	
Email Address: dustyb@ypcnm.com	
Date: 4/26/2006	Phone: 505-748-4364

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

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

Form C-102  
Permit 28502

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37843	2. Pool Code 96690	3. Pool Name Big Dog Strawn South
4. Property Code 35625	5. Property Name DOOR BIW STATE	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3966

10. Surface Location

UL - Lot I	Section 1	Township 16S	Range 35E	Lot Idn	Feet From 2310	N/S Line S	Feet From 660	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot I	Section 1	Township 16S	Range 35E	Lot Idn I	Feet From 1650	N/S Line S	Feet From 660	E/W Line E	County LEA
12. Dedicated Acres 80.00		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

	<b>OPERATOR CERTIFICATION</b>  <i>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.</i>  E-Signed By: dusty bean Title: Regulatory Tech Date: 4/26/2006
	<b>SURVEYOR CERTIFICATION</b>  <i>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.</i>  Surveyed By: Herschel Jones Date of Survey: 4/25/2006 Certificate Number: 3640

## Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: DOOR BIW STATE #001

API: 30-025-37843

Created By	Comment	Comment Date
dustyb	Mud Program: 0-450' Fresh Water Gel; 450'-1875' Fresh Water; 1875'-4750' Red Bed Mud/Oil; 4750'-8100' Cut Brine; 8100'-TD Salt Gel/Starch/Oil.	4/26/2006
dustyb	Sources at YPC have relayed information to me that there will not be enough H2S anticipated from the surface to the Strawn formation to meet the OCD's minimum requirements for the submission of a contingency plan per rule 118.	4/26/2006
dustyb	BOPE Program; A 5000# BOP will be placed on the 9.625" casing and tested daily for operational.	4/26/2006
dustyb	Lease expiration on this location is 5/1/2006	4/26/2006
dustyb	This well will be directionally drilled from the surface location of 2310' FSL & 660' FEL to the bottom hole location of 1650' FSL & 660' FEL.	4/26/2006
DMULL	Per phone call with Cliff May TD should be 11692'.	4/27/2006

# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: DOOR BIW STATE #001

API: 30-025-37843

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
DMULL	80 acres, Units I & J.
DMULL	Faxed copy of Plat, C-102.