

**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 30-025-38016
4. Property Code 35625	5. Property Name DOOR BIW STATE	6. Well No. 001Y

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	1	16S	35E	I	2310	S	610	E	LEA

**8. Pool Information**

Big Dog Strawn South	0
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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 3965
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 > 1000		Distance to nearest surface water 200
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	1900	1400	0
Int1	12.25	9.625	40	7000	1950	0
Prod	8.75	5.5	17	11692	1350	0

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Strawn/intermediate formations. Approximately 1400' 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: Paul Kautz	
	Title: Geologist	
	Approved Date: 7/20/2006	Expiration Date: 7/20/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by dusty bean	
Title: Regulatory Tech	
Email Address: dustyb@ypcnm.com	
Date: 7/19/2006	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

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**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
 Permit 34472

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38016	2. Pool Code	3. Pool Name Big Dog Strawn South
4. Property Code 35625	5. Property Name DOOR BIW STATE	6. Well No. 001Y
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3965

**10. Surface Location**

UL - Lot I	Section 1	Township 16S	Range 35E	Lot Idn	Feet From 2310	N/S Line S	Feet From 610	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**

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>E-Signed By: dusty bean          Title: Regulatory Tech          Date: 7/19/2006</p>
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Herschel Jones          Date of Survey: 7/17/2006          Certificate Number: 3640</p>

## Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: DOOR BIW STATE #001Y

API: 30-025-38016

Created By	Comment	Comment Date
dustyb	This rig is on stand by and will be skided over fifty(50') feet to the east. Your immediate attention to this application will be greatly appreciated.	7/19/2006
dustyb	MUD PROGRAM: 0-1900' Fresh Water; 1900'-7000' Red Bed Mud/Oil; 7000'-8100' Cut Brine; 8100'-11692' Salt Gel/Starch/Oil.	7/19/2006
dustyb	BOPE PROGRAM: A 5000# BOPE will be placed on the 9.625" casing and tested daily for operational.	7/19/2006
dustyb	YPC will fax a H2S contingency plan to your office immediatly following submission of this APD.	7/19/2006
DMULL	Sending this back for correction on the Bottomhole location.	7/19/2006
DMULL	Sending back for correction on acreage.	7/19/2006

# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: DOOR BIW STATE #001Y

API: 30-025-38016

OCD Reviewer	Condition
pkautz	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
pkautz	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114
pkautz	Will require administrative order for non-standard spacing unit