

**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 <b>YATES PETROLEUM CORPORATION</b> 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-015-35392
4. Property Code 36267	5. Property Name BIJOU BJU COM	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	19	25S	26E	B	660	N	1650	E	EDDY

**8. Pool Information**

CHOSA DRAW,MORROW (GAS)	74900
-------------------------	-------

**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3395
14. Multiple N	15. Proposed Depth 12200	16. Formation Morrow	17. Contractor	18. Spud Date 1/23/2007
Depth to Ground water 118		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: 20000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" 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	420	0
Int1	12.25	9.625	36	1900	650	0
Int2	8.75	7	23	8600	1050	0
Prod	6.125	4.5	11.6	12200	475	0

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 400' of 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.

**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. <b>I further certify that the drilling pit will be constructed according to NMOCB guidelines</b> <input type="checkbox"/> <b>a general permit</b> <input checked="" type="checkbox"/> <b>or an (attached) alternative OCB-approved plan</b> <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>
	Approved By: Bryan Arrant
Printed Name: Electronically filed by Shirley Pruitt	Title: Geologist
Title:	Approved Date: 1/24/2007   Expiration Date: 1/24/2008
Email Address: shirleyp@ypcnm.com	
Date: 1/24/2007   Phone: 505-748-4356	Conditions of Approval Attached

**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 45379

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-35392	2. Pool Code 74900	3. Pool Name CHOSA DRAW MORROW (GAS)
4. Property Code 36267	5. Property Name BIJOU BJU COM	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3395

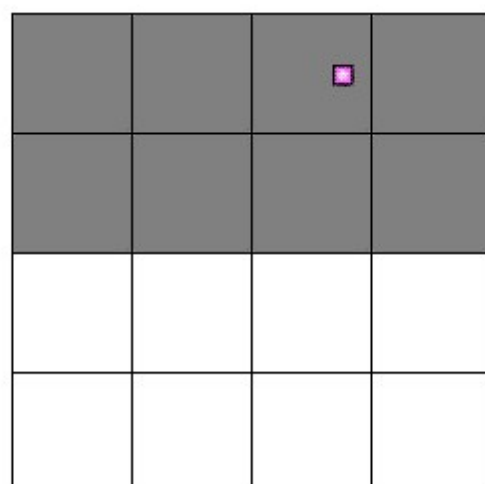
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	19	25S	26E		660	N	1650	E	EDDY

**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 319.52		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: Shirley Pruitt

Title:

Date: 1/24/2007

**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: 1/3/2007

Certificate Number: 3640

## Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BLJOU BJU COM #001

API: 30-015-35392

Created By	Comment	Comment Date
SPRUITT	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be sufficient H2S found from the surface to the Morrow formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	1/22/2007
SPRUITT	MUD PROGRAM: 0-400'-FW Gel; 400-1900'-Brine; 1900-8600'-Fresh Water;8600-10,700'-Brine; 10,700-12,200'-Salt Gel/Starch/4%-6%KCL.	1/22/2007
SPRUITT	BOPE PROGRAM: A 5000# BOPE will be installed on the 9.625" casing and tested daily.	1/22/2007
BArrant	Pleaes indicate the TOC for each string of casing.	1/23/2007

# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BLJOU BJU COM #001

API: 30-015-35392

OCD Reviewer	Condition
BArrant	As noted, operator to drill surface hole with fresh water mud.
BArrant	Operator to set surface casing above the Salado. Please refer to offset geology for more information.
BArrant	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