

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 30-025-38287
4. Property Code 36315	5. Property Name YEARWOOD BJW	6. Well No. 001

7. Surface Location

UL - Lot L	Section 10	Township 13S	Range 34E	Lot Idn L	Feet From 2310	N/S Line S	Feet From 660	E/W Line W	County LEA
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8. Pool Information

Upper Penn	97585
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 4158
14. Multiple N	15. Proposed Depth 11000	16. Formation Cisco	17. Contractor	18. Spud Date 2/5/2007
Depth to Ground water 60	Distance from nearest fresh water well 900		Distance to nearest surface water > 1000	
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils 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	4350	1425	0
Prod	8.75	5.5	17	11000	1675	3850

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Cisco/intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4350', cement circulated to surface. If commercial, production casing will be ran, cemented, perforated and stimulated as needed 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"/> .	OIL CONSERVATION DIVISION	
	Approved By: Chris Williams	
Printed Name: Electronically filed by Shirley Pruitt	Title: District Supervisor	
Title:	Approved Date: 2/16/2007	Expiration Date: 2/16/2008
Email Address: shirleyp@ypcnm.com		
Date: 2/2/2007	Phone: 505-748-4356	

District IIDistrict IIIDistrict IV

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38287	2. Pool Code 97585	3. Pool Name Upper Penn
4. Property Code 36315	5. Property Name YEARWOOD BJW	
6. Well No. 001	7. OGRID No. 25575	
8. Operator Name YATES PETROLEUM CORPORATION		9. Elevation 4158

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	10	13S	34E		2310	S	660	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 40.00		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

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<p align="center">SURVEYOR CERTIFICATION</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: 1/31/2007 Certificate Number: 3640</p>																	

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: YEARWOOD BJW #001

API: 30-025-38287

Created By	Comment	Comment Date
SPRUITT	MUD PROGRAM: 0-400' FW Gel; 400-1970' FW; 1970-4350' Red Bed Mud/Oil; 4350-7750' Cut Brine; 7750-11000 SWGel/Starch.	2/2/2007
SPRUITT	BOPE PROGRAM: A 5000# BOPE will be installed on the 9.625 casing and tested daily for operational.	2/2/2007
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 Cisco formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	2/2/2007