

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 30-05-64003
4. Property Code 32721	5. Property Name ORECK BDO 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
G	21	10S	26E	G	2150	N	1780	E	CHAVES

8. Pool Information

FOOR RANCH;PRE PERMIAN (GAS)	76730
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3691
14. Multiple N	15. Proposed Depth 6000	16. Formation Devonian	17. Contractor	18. Spud Date
Depth to Ground water 50		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 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	14.75	11.75	42	600	400	0
Int1	11	8.625	24	1600	250	0
Prod	7.875	5.5	15.5	6000	1200	0

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Siluro-Devonian/Intermediate formations. Approximately 600' of surface casing will be set/cement circulated to shut off gravel and cavings. Intermediate casing will be set @ 1600', cement circulated to the surface. *Intermediate casing will only be set if lost circulation is encountered. If commercial, production casing will be ran and cemented, perforated, and stimulated as needed for production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

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 NMOC guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Shirley Pruitt	Approved By: Bryan Arrant
Title:	Title: Geologist
Email Address: shirleyp@ypcnm.com	Approved Date: 1/22/2008 Expiration Date: 1/22/2010
Date: 1/10/2008 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

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Energy, Minerals and Natural Resources
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1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 67310

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-05-64003	2. Pool Code 76730	3. Pool Name FOOR RANCH,PRE PERMIAN (GAS)
4. Property Code 32721	5. Property Name ORECK BDO COM.	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3691

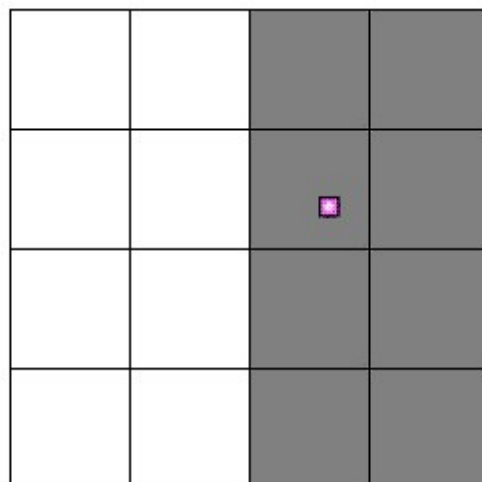
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	21	10S	26E		2150	N	1780	E	CHAVES

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: Shirley Pruitt

Title:

Date: 1/10/2008

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: Gary Jones

Date of Survey: 1/5/2008

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: ORECK BDO COM. #001

API: 30-05-64003

Created By	Comment	Comment Date
DCAFFALL	BOPE PROGRAM: A 2000# Double Ram BOPE will be installed on the 11 3/4" casing and tested for operational	1/10/2008
DCAFFALL	Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Siluro-Devonian formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	1/10/2008
DCAFFALL	MUD PROGRAM: 0-600' – FW Gel; 600' – 1600' FW; 1600'-4200' Brine Water; 4200'– 6000' (TD) SW Gel/Starch.	1/10/2008
DCAFFALL	*Drill out from surface casing with 7 7/8" hole to 1600'. If lost circulation is encountered, make decision to set cement plug or ream hole to 11" and set 8 5/8" intermediate casing. If intermediate casing is not run, continue drilling 7 7/8" hole to TD where 5 1/2" casing will be set and cemented to surface.	1/10/2008

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: ORECK BDO COM. #001

API: 30-05-64003

OCD Reviewer	Condition
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
BArrant	As noted, operator to drill surface and intermediate hole w/fresh water mud.
BArrant	Please notify OCD time of spud and time to witness the cementing to surface of all strings of casing.