

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM
87505

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

Form C-101
Permit 1093

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-005-63664
Property Code 34052	Property Name EGGBEATER BEJ STATE	Well No. 001

Surface Location

UL or Lot M	Section 1	Township 10S	Range 26E	Lot Idn M	Feet From 660	N/S Line S	Feet From 660	E/W Line W	County Bernalillo
----------------	--------------	-----------------	--------------	--------------	------------------	---------------	------------------	---------------	----------------------

Proposed Pools

FOOR RANCH;PRE PERMIAN (GAS) 76730

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3918
Multiple N	Proposed Depth 6735	Formation Undesignated Precambrian	Contractor	Spud Date 07/14/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	450	400	0
Surf	11	8.625	24	1200	500	0
Prod	7.875	5.5	15.5	6735	650	4200

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Precambrian/intermediate formations. Approximately 450 of surface casing will be set/cemented. If commercial, intermediate and production casing will be run/cemented, will perforate/stimulate as needed for production. No H2S is anticipated. Mud Program: 0-450 FW Gel/Paper/LCM; 450-1200 FW; 1200 - 4600 Cut Brine/Brine; 4600-6735 Starch/Salt Gel/4-6% KCL. BOPE PROGRAM: A 3000# BOPE will be installed and tested daily.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 06/11/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 06/30/2004 Expiration Date: 06/30/2005

Conditions of Approval:
There are conditions. See Attached.