

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 1174

### APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-005-63679
Property Code 34116	Property Name BARRACUDA STATE UNIT	Well No. 001

### Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	5	10S	27E	H	1680	N	800	E	Chaves

### Proposed Pools

FOOR RANCH;PRE PERMIAN (GAS) 76730
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3934
Multiple N	Proposed Depth 6850	Formation Undesignated Precambrian	Contractor	Spud Date 07/07/2004

### 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	400	400	0
Int1	11	8.625	24	1300	525	0
Prod	7.875	5.5	17	6850	650	

### Casing/Cement Program: Additional Comments

YPC proposes to drill/test the Precambrian/intermediate formations. Approximately 400 feet of surface casing will be set/cemented. If commercial, intermediate and production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-400 FW Gel/Paper/LCM; 400-1300 Fresh Water; 1300-4700 Cut Brine/Brine; 4700-6850 Starch/Salt Gel/4-6% KCL. A 3000# BOPE will be installed and tested daily.

### Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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: 07/06/2004

Phone: 505-748-4364

### OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 07/18/2004 Expiration Date: 07/18/2005

Conditions of Approval:  
There are conditions. See Attached.