

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 10320

### APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-025-37208
Property Code 34778	Property Name SPRING AKJ STATE	Well No. 001

### Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	2	20S	32E	2	330	N	2310	E	Lea

### Proposed Pools

WILDCAT BONE SPRING
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Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3503
Multiple N	Proposed Depth 8000	Formation Bone Spring	Contractor	Spud Date

### Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1200	1050	0
Int1	11	8.625	32	4500	1150	0
Prod	7.875	5.5	17	8000	1450	0

### Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Bone Spring/Intermediate formations. Approximately 1200 of surface casing will be set and cement circulated. Intermediate casing will be set at 4500, cement circulated to surface. If commercial, production casing will be run and cement circulated, perforated and stimulated as needed for production. MUD PROGRAM: 0-1200-FW/Native Mud; 1200-4500-Brine; 4500-TD-Cut Brine.

### 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: 04/26/2005

Phone: 505-748-4364

### OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 04/26/2005 Expiration Date: 04/26/2006

Conditions of Approval:  
There are conditions. See Attached.