

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 2280

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-015-33747
Property Code 34399	Property Name GUITAR BFL COM.	Well No. 001

Surface Location

UL or Lot B	Section 17	Township 25S	Range 26E	Lot Idn B	Feet From 990	N/S Line N	Feet From 1980	E/W Line E	County Eddy
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Proposed Pools

Chosa Draw Morrow

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 3361
Multiple N	Proposed Depth 12000	Formation Morrow	Contractor	Spud Date 11/02/2004

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	400	400	0
Int1	12.25	8.625	36	1800	650	0
Int2	8.75	7	23	8600	1200	1300
Prod	6.125	4.5	11.6	12000	500	8100

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Morrow and intermediate formations. Approximately 400' of surface casing will be set/cemented to shut off gravel and cavings. If commercial, production casing will be run/cemented; will perforate/stimulate as needed for production. MUD PROGRAM: 0-400' - FW /Spud Mud; 400' - 10,700' Cut Brine; 10,700''- TD Salt Gel/Starch. BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

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: 11/02/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 12/03/2004 Expiration Date: 12/03/2005

Conditions of Approval:

There are conditions. See Attached.