

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 7090

### APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-025-37096
Property Code 34626	Property Name CHESNEY 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
E	26	11S	37E	E	1650	N	990	W	Lea

### Proposed Pools

Wildcat Mississippian
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4108
Multiple N	Proposed Depth 13100	Formation Mississippian Age Rocks- Undivided	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	400	400	0
Int1	12.25	9.625	40	4350	1600	0
Prod	8.75	5.5	17	13100	2800	3850

### Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Mississippian/intermediate formations. Approximately 400 of surface casing will be set/cemeted. Intermediate casing will be set @ 4400, cement circ. to surface. If commercial, production casing will be run/cemented, perforate/stimulate as needed for production. MUD PROGRAM: 0-400 FW/Spud Mud: 400-2210 FW: 2210-4350 Red Bed Mud/Oil; 4350-7900 Cut Brine 7900-11890-TD S Gel/Starch/4-6%KCL.

### 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: 02/17/2005

Phone: 505-748-4364

### OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 02/18/2005 Expiration Date: 02/18/2006

Conditions of Approval:  
There are conditions. See Attached.