

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 7967

### APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-005-63746
Property Code 34712	Property Name LASER AYK STATE COM.	Well No. 001

### Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	36	11S	26E	N	660	S	1980	W	Chaves

### Proposed Pools

LEA LAKE; PRE-PERMIAN (G) 97406
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3688
Multiple N	Proposed Depth 6430	Formation Undesignated Precambrian	Contractor	Spud Date 03/24/2005

### Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1000	650	0
Prod	7.875	5.5	15.5	6430	600	3950

### Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Precambrian/intermediate formations. Approximately 1000' of surface casing will be set/cemented. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-1000' FW Gel/Paper, LCM; 1000-4350' Cut Brine; 4350-6430' Starch/Salt Gel/4-6% KCL.

### Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

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: 03/23/2005

Phone: 505-748-4364

### OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 03/23/2005

Expiration Date: 03/23/2006

Conditions of Approval:

There are conditions. See Attached.