

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 5400

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
Property Code 34559	Property Name GATO LOCO BFT COM.	API Number 30-041-20912
		Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Ltn	Feet From	N/S Line	Feet From	E/W Line	County
I	31	08S	34E	I	1800	S	900	E	Roosevelt

Proposed Pools

JENKINS, ATOKA, NORTHWEST (GAS) 79323

Well Type New Well	Well Type GAS	Cable/ Rotary	Lease Type Private	Ground Level Elevation 4184
Multiple N	Proposed Depth 11400	Formation Atoka	Contractor	Spud Date 01/19/2005

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	450	0
Intl	12.25	9.625	36	4000	1450	0
Prod	8.75	5.5	15.5	11400	2100	3400

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Atoka and Intermediate formations. Approximately 400' of surface casing will be set/cement circulated to shut off gravel and cavings. If commercial, production casing will be run/cemented, perforate/stimulate as needed for production. MUD PROGRAM: 0-400' FW Gel/Paper; 400'-2130' Fresh Water; 2130'- 4000' Red Bed Mud/Oil; 4000'- 7600' Cut Brine; 7600' - 10700' SGel/Oil/Starch; 10700' - 11400' 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: 01/18/2005

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 01/20/2005 Expiration Date: 01/20/2006

Conditions of Approval:
There are conditions. See Attached.

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Oil Conservation Division
1220 S. St Francis Dr.
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Form C-102.
Permit 5400

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-041-20912	Pool Name JENKINS, ATOKA, NORTHWEST (GAS)	Pool Code 79323
Property Code 34559	Property Name GATO LOCO BFT COM.	Well No. 001
OGRD No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4184

Surface And Bottom Hole Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	31	08S	34E	I	1800	S	900	E	Roosevelt
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			

			x

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 01/18/2005

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Herschel Jones

Date of Survey: 12/09/2004

Certificate Number: 3640

Permit Conditions Of Approval

C-101, Permit 5400

Operator: YATES PETROLEUM CORPORATION , 25575

Well: GATO LOCO BFT COM. #001

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

Submit 3 Copies To Appropriate District Office
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State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-041-20912	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Gato Loco BFT Corn	
8. Well Number 1	
9. OGRID Number 025575	
10. Pool name or Wildcat Jenkins; Atoka, Northwest (Gas)	

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. 4th Street, Artesia, NM 88210

4. Well Location
 Unit Letter I : 1800 feet from the South line and 900 feet from the East line
 Section 31 Township 8S Range 34E NMPM Roosevelt County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4184'GR

Pit or Below-grade Tank Application or Closure
 Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
 Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: Spud and set conductor <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/4/05 – Spudded well at 3:30 PM. Set 40' of 20" conductor.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE June 7, 2005

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only
 APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUN 10 2005
 Conditions of Approval (if any): _____

Submit 3 Copies To Appropriate District Office
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State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-041-20912
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Gato Loco BFT Com
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Jenkins; Atoka, Northwest (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. 4th Street, Artesia, NM 88210

4. Well Location
 Unit Letter I : 1800 feet from the South line and 900 feet from the East line
 Section 31 Township 8S Range 34E NMPM Roosevelt County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4184'GR

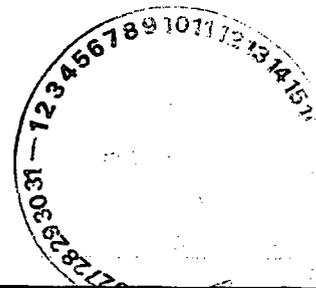
Pit or Below-grade Tank Application or Closure
 Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
 Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Spud and set conductor <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/8/05 - Resumed drilling at 6:00 AM. Set 13-3/8" 48# H-40 ST&C casing at 423'. Cemented with 240 sx "C" + 2% CaCl2 + 0.25#/sx Celloflake (yld 1.35, wt 14.8). Tailed in with 200 sx "C" + 2% CaCl2 (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 600 psi for 30 min. WOC 21 hrs 15 min. Reduced hole to 12-1/4" and resumed drilling.
 6/15/05 - Set 9-5/8" 36# & 40# J-55 ST&C casing at 4010'. Cemented with 1360 sx 35:65 Poz "C" + 6% gel + 5% Salt + 1/4# Celloflake (yld 2.04, wt 12.5). Tailed in with 200 sx "C" (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 1500 psi for 30 min. WOC 80 hrs 30 min. Reduced hole to 8-3/4" and resumed drilling.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE June 22, 2005

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only
 APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER JUL 01 2005
 Conditions of Approval (if any):

Submit 3 Copies To Appropriate District Office
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State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-041-20912
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Gato Loco BFT Com
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Jenkins; Atoka, Northwest (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
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11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4184'GR

Pit or Below-grade Tank Application or Closure
 Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
 Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
 PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL.

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDON
 CASING/CEMENT JOB

OTHER: OTHER: Production casing

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7/20/05 -- Reached TD 11,890' at 3:15 PM. Set 5-1/2" 17# J-55 L-80 HCP-110 LT&C casing at 11,890'. Float collar at 11,844'. Cemented with 1560 sx 50/50 Poz "H" + 5% FL-25 + 10% gel + 0.2% R-21 (yld 2.51, wt 11.5). Tailed in with 1450 sx 15:61:11 Poz "C" CSE + 4% salt + 3# LCM + 0.6% FL-25 (yld 1.52, wt 13.5).



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE August 2, 2005

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only
 APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE AUG 15 2005
 Conditions of Approval (if any):

County Lea

pool Northwest Jenkins-Atoka Gas

(34559)

TOWNSHIP

9 South

Range

34 East

NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

Description: N/2 Sec. 5 (R-9937, 8-17-93)

