

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 4157

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-025-37017
Property Code 34489	Property Name IMPALA BFM 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
B	16	23S	34E	B	660	N	1618	E	Lea

Proposed Pools

Wildcat Devonian

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3415
Multiple N	Proposed Depth 14850	Formation Devonian	Contractor	Spud Date 12/22/2004

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	600	750	0
Int1	12.25	9.625	40	4900	1850	0
Int2	8.75	7	26	11750	1350	4400
Liner1	6.125	4.5	15.1	14850	400	11300

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Devonian/intermediate formations. Approximately 600' of surface casing will be set/cemented. 1st Intermediate casing will be set @ 4900', cement circ. to surface. 2nd Intermediate casing will be set @ 11750', cement circ. to surface. If commercial, production casing will be run/cemented, perforate/stimulate as needed for production. MUD PROGRAM: 0-600' - FW/Gel/Paper; 600' - 4900' Brine; 4900'-8300' Cut Brine; 8300'-11750'Drispac; 11750'- TD; Drispac, XCD Polymer.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	
Double Ram	10000	10000	

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: 12/21/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 12/29/2004

Expiration Date: 12/29/2005

Conditions of Approval:

There are conditions. See Attached.