

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
		API Number 30-041-20912
Property Code 34559	Property Name GATO LOCO BFT COM.	Well No. 001

### Surface Location

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

JENKINS;ATOKA, NORTHWEST (GAS) 79323
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Work 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
Int1	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.