

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

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-025-36556
Property Code 12519	Property Name Lotus ALT State	Well No. 007

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	32	22S	32E	K	1980	S	1650	W	Lea

Proposed Pools

Livingston Ridge; Delaware, SE

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3531
Multiple N	Proposed Depth 8600	Formation Delaware	Contractor	Spud Date 01/29/2004

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	850	800	0
Int1	11	8.635	32	4500	1400	0
Prod	7.875	5.5	17	8600	1475	5500

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Delaware/intermediate formations. Approximately 850' of surface casing will be set/cemented. Approximately 4500' of intermediate casing will be set/cement circulated. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-850' FW/Native Mud; 850'-4500' Brine; 4500'-8400' Cut Brine; 8400'- TD Cut Brine/Starch
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

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: 01/27/2004	Phone: 505-748-4364

OIL CONSERVATION DIVISION	
Electronically Approved By: Paul Kautz	
Title: Geologist	
Approval Date: 01/28/2004	Expiration Date: 01/28/2005
Conditions of Approval: No Conditions	

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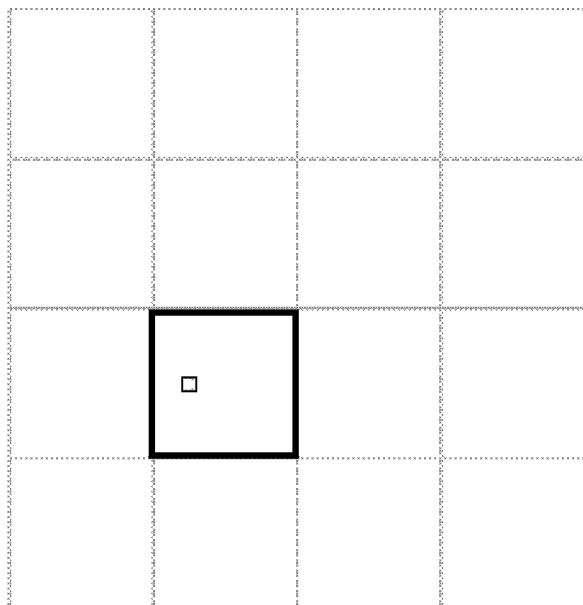
Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36556	Pool Name Livingston Ridge; Delaware, SE	Pool Code
Property Code 12519	Property Name Lotus ALT State	Well No. 007
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3531

Surface And Bottom Hole Location

UL or Lot K	Section 32	Township 22S	Range 32E	Lot Idn K	Feet From 1980	N/S Line S	Feet From 1650	E/W Line W	County Lea
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			



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: 01/27/2004

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: 01/22/2004

Certificate Number: 3640