

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 30-5-63595
Property Code 32721	Property Name Oreck BDO 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
H	21	10S	26E		990	N	1650	E	Chaves

Proposed Pools

PRECAMBRIAN				
Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type Private	Ground Level Elevation 3720
Multiple N	Proposed Depth 6225	Formation Undesignated Precambrian	Contractor	Spud Date 8/14/2003

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	600	500	0
Intl	11	8.625	24	1600	100	1400
Prod	7.875	5.5	15.5	6225	600	3800

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Pre-Cambrian and intermediate formations. Approximately 600 ft. of surface casing will be set/cemented. *A string of 8 5/8" intermediate casing will be set if lost circulation is encountered. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. CEMENT TO COVER ALL OIL, GAS & WATERBEARING ZONES. MUD PROGRAM: 0-600 ft. FW Gel/Paper/LCM; 600-1300 ft. Cut Brine; 1300-4280 ft. Brine; 4280-TD Starch/Salt Gel. No H2S is anticipated.

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: Robert Asher

Title: Regulatory Technician

Date: 8/13/2003

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 8/18/2003

Expiration Date: 8/18/2004

Conditions of Approval:

There are conditions. See Attached.

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State of New Mexico
Energy, Minerals and Natural Resources

Form C-102

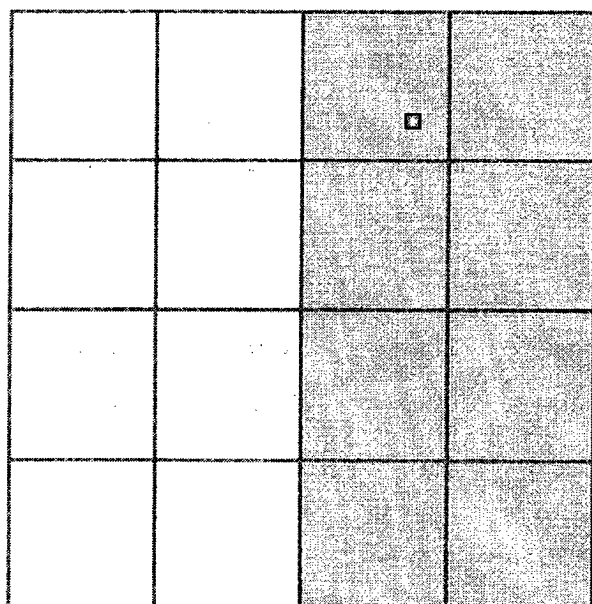
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-5-63595	Pool Name PRECAMBRIAN	Pool Code
Property Code 32721	Property Name Oreck BDO Com.	Well No. 001
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 3720

Surface And Bottom Hole Location

UL or Lot H	Section 21	Township 10S	Range 26E	Lot Idn .	Feet From 990	N/S Line N	Feet From 1650	E/W Line E	County Chaves
Dedicated Acres 320	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: Robert Asher

Title: Regulatory Technician

Date: 8/13/2003

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.

Electronically Signed By: Herschel L. Jones

Date of Survey: 8/5/2003

Certificate Number: 3640

APD Conditions Of Approval

Operator: 25575 Yates Petroleum Corporation

Well: Oreck BDO Com. 001

OCD Reviewer	Condition
BARRANT	Notify OCD time of spud and time to witness the cementing of surface casing.