

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address YATES PETROLEUM CORPORATION 105 SOUTH 4TH ST., ARTESIA, NM 88210		² OGRID Number 25575
		³ API Number 30 - 045 - 33325
⁴ Property Code 27790	⁵ Property Name D MILLER	⁶ Well No. 2
⁹ Proposed Pool 1 FULCHER KUTZ PICTURED CLIFFS EXT.		¹⁰ Proposed Pool 2 BASIN FRUITLAND COAL

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	21	30 N	13 W		1530	NORTH	845	WEST	SAN JUAN

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

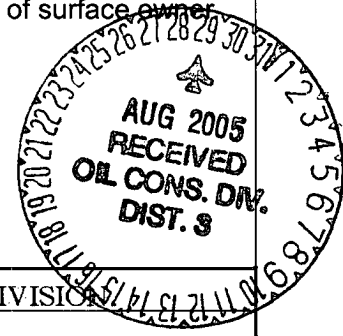
¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 5,398'
¹⁶ Multiple Y	¹⁷ Proposed Depth 1,520'	¹⁸ Formation LEWIS	¹⁹ Contractor UNKNOWN	²⁰ Spud Date UPON APPROVAL
Depth to Groundwater >10'		Distance from nearest fresh water well >1,747'		Distance from nearest surface water >100'
Pit Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/>		Pit Volume: 1,025 bbls		Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>
Closed-Loop System <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8-3/4"	7"	17#	500'	125	SURFACE
6-1/4"	4-1/2"	10.5#	1,520'	200	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

This APD replaces an expired APD (API # 30-045-31663).
Well has also been moved 166' NNE from earlier location of 1670 FN & 754 FW at request of surface owner.
Use 2,000 BOP system



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

OIL CONSERVATION DIVISION

Approved by:

Brian Wood

Title: DEPUTY OIL & GAS INSPECTOR, DIST. 3

Printed name: BRIAN WOOD

Title: CONSULTANT

Approval Date: AUG 29 2005 Expiration Date:

E-mail Address: brian@permitswest.com

Date: 8-24-05

Phone: (505) 466-8120

Conditions of Approval Attached VULNERABLE AREA

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

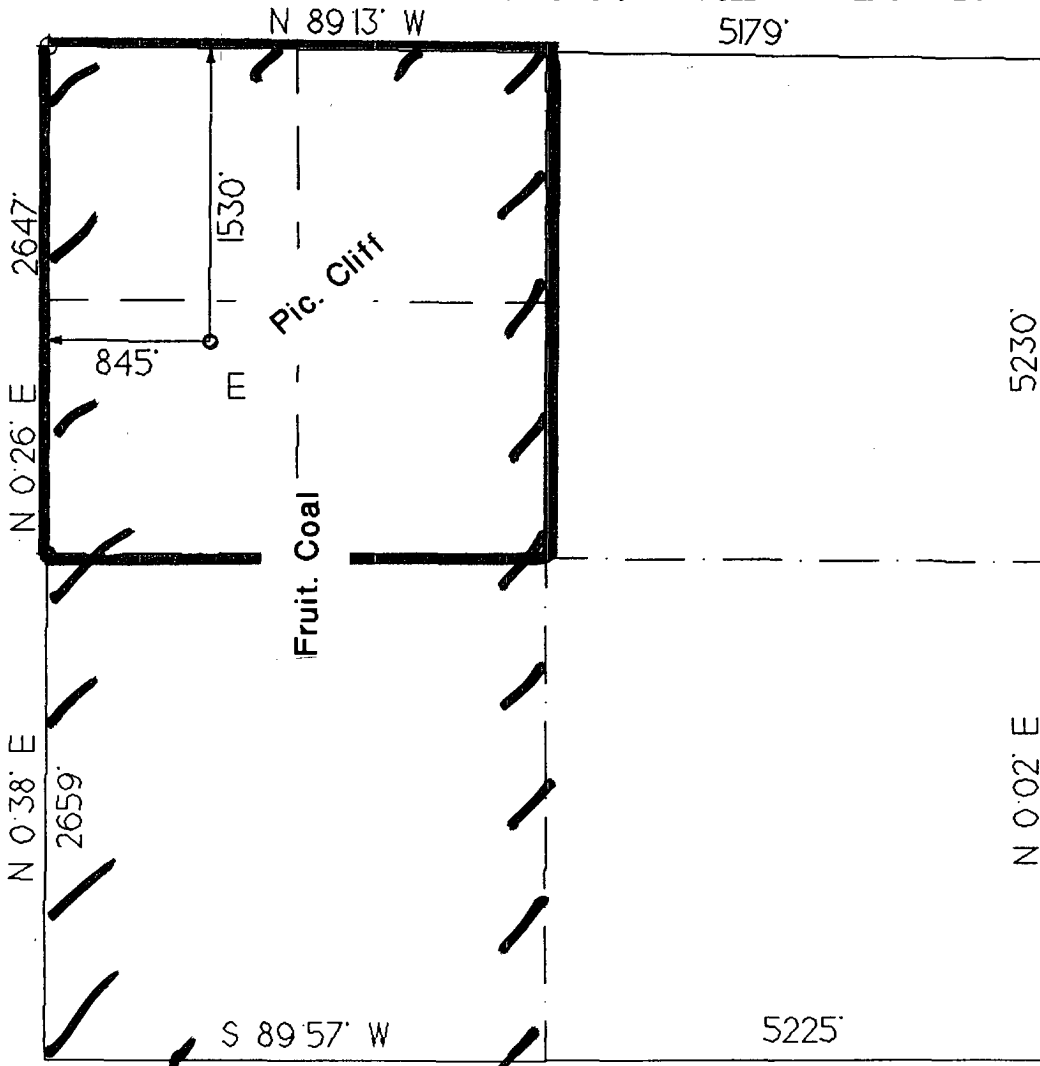
APA Number	Pool Code 77200 & 71629	Pool Name FULCHER KUTZ PC EXT. & BASIN FRUIT. COAL
Property Code 27790	Property Name D Miller	Well Number 2
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 5398'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from>	North/South	Feet from>	East/West	County
E	21	30 N.	13 W.		1530'	NORTH	845'	WEST	SAN JUAN

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from>	North/South	Feet from>	East/West	County

Dedication 160 & 320	Joint ?	Consolidation	Order No.
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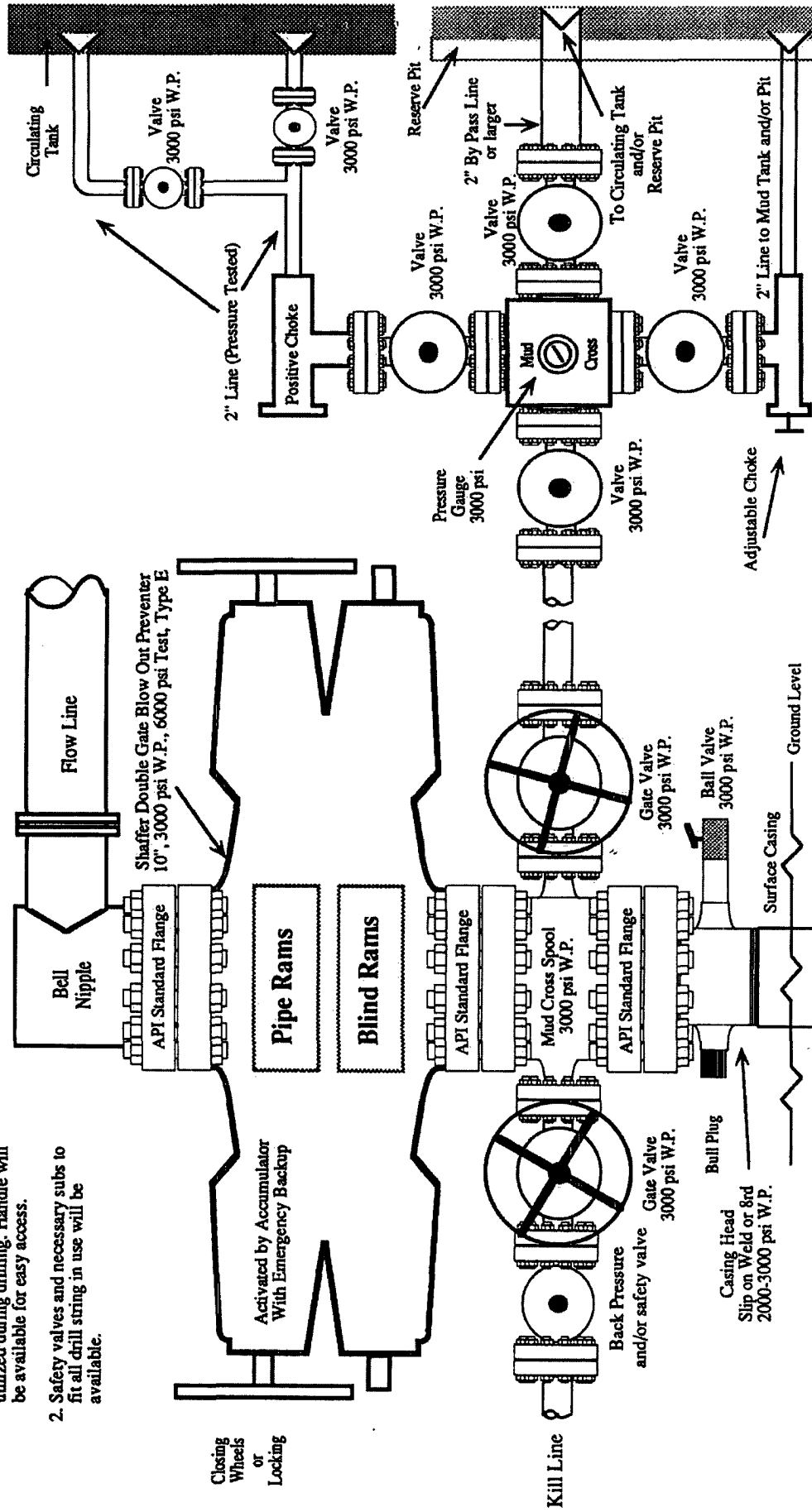
NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>Brian Wood</i></p>	
Printed Name	BRIAN WOOD
Title	CONSULTANT
Date	AUG. 24, 2005
<p>SURVEYOR CERTIFICATION I hereby certify that the well location 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.</p> <p>Date of Survey rev: 12 10 '04</p>	
Signature and Seal of Professional Surveyor	<p>GERALD S. HODDLESTON NEW MEXICO 6844 REGISTERED LAND SURVEYOR</p> <p><i>Gerald S. Hoddleston</i></p>

2,000 PSI BOP SYSTEM

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

**Conditions of Approval
Yates Petroleum
D. Miller #2
API# 30-045-33325**

At this well site:

- 1) No lined earthen or unlined earthen below grade drilling pits will be permitted.
- 2) If definitive proof that water is at greater than twenty feet is presented below grade earthen lined pits will be considered.