

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

AMENDED REPORT

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

Operator Name and Address. YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		OGRID Number 025575
Property Code 18677	Property Name Morton Unit	API Number 30-025-33311
		Well No. #1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	5	15S	35E	(2)	770	North	2150	East	Lea

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
Proposed Pool 1 N. Morton Permo Penn - Wildcat Strawn					Proposed Pool 2				

Work Type Code N	Well Type Code 0	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 4029'
Multiple No	Proposed Depth 12,200'	Formation Strawn	Contractor Undesignated	Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	450'	550	Circulate
11"	8 5/8"	32#	4650'	1050	Circulate
7 7/8"	5 1/2"	15.5 & 17#	TD	1350	As Required

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.

We propose to drill and test the Strawn and intermediate zones. Approximately 450' of surface casing will be set and cement circulated. An intermediate string will be set at approximately 4650' and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud mud to 450'; Brine to 4400'; Cut Brine, Starch to 9800'; Salt Gel and Starch to TD.

BOPE PROGRAM: BOPE will be installed on the intermediate casing and tested daily for operational.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Clinton R. May*
 Printed name: Clinton R. May
 Title: Regulatory Agent
 Date: 3-7-96
 Phone: 505-748-1471

OIL CONSERVATION DIVISION
 Approved by: ORIGINAL SIGNED BY JERRY SEXTON
 Title: DISTRICT I SUPERVISOR
 Approval Date: MAR 08 1996
 Expiration Date:
 Conditions of Approval:
 Attached

Permit Expires 1 Year From Approval Date Unless Drilling Underway