

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 30-005-63624
Property Code 12224	Property Name Energy AFY State	Well No. 003

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	36	09S	26E	P	660	S	940	E	Chaves

Proposed Pools

FOOR RANCH;PRE PERMIAN (GAS) 76730				
Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3914
Multiple N	Proposed Depth 6655	Formation Undesignated Precambrian	Contractor	Spud Date 11/04/2003

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	24	400	275	0
Int1	11	8.675	24	1100	400	0
Prod	7.875	5.5	15.5	6655	600	4200

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Precambrian/intermediate formations. Approximately 400' of surface casing will be set/cemented. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-400' FWGel/Paper/LCM; 400'-4700' Cut Brine/Brine; 4700'-6655' Starch/Salt Gel. NO H2S 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: Debbie Caffall

Title: Regulatory Technician

Date: 11/03/2003

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 11/07/2003

Expiration Date: 11/07/2004

Conditions of Approval:

No Conditions