

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 30-015-33092
Property Code 33098	Property Name Lucky Lab AZV State 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
L	5	17S	27E	L	1550	S	660	W	Eddy

Proposed Pools

undes crow flats; morrow (g)				
Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3352
Multiple N	Proposed Depth 9100	Formation Morrow	Contractor	Spud Date 11/08/2003

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	300	325	0
Int1	12.25	9.625	36	1200	650	0
Prod	8.75	5.5	17	9100	2350	850

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Morrow and intermediate formations. Approximately 300' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production. MUD PROGRAM: 0-1350' FW/Gel; 1350'-8000' Cut Brine; 8000'-9100' Salt Gel/Starch/6% KCL. BOPE PROGRAM: A 3000# BOPE will be installed on the 9 5/8" casing and tested daily.

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: 11/07/2003

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:

There are conditions. See Attached.

Permit Conditions Of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: Lucky Lab AZV State Com. #001

OCD Reviewer	Condition
BARRANT	Operator to notify OCD spud and time to witness cementing of water protection string where casing is to be set at 1200 Fresh water mud to 1200.