

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 30-5-63552
Property Code 32108	Property Name Quicksilver BBC 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
E	26	10S	26E		1980	N	660	W	Chaves

Proposed Pools

WILDCAT PRECAMBRIAN

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 3724
Multiple N	Proposed Depth 6395	Formation Undesignated Precambrian	Contractor	Spud Date 3/12/2003

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	600	400	0
Prod	7.875	5.5	15.5	6395	600	0

Casing/Cement Program: Additional Comments

YPC proposes to drill/test the Precambrian/intermediate formations. Approx. 600 ft. of surface casing will be set/cemented. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-600 ft. FW Gel/Paper/LCM; 600-4400 ft. Brine; 4400-6395 ft. Starch/Salt Gel. CEMENT TO COVER ALL OIL, GAS AND WATERBEARING ZONES.

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: 3/14/2003

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 3/14/2003

Expiration Date: 3/14/2004

Conditions of Approval:

There are conditions. See Attached.

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

Form C-102

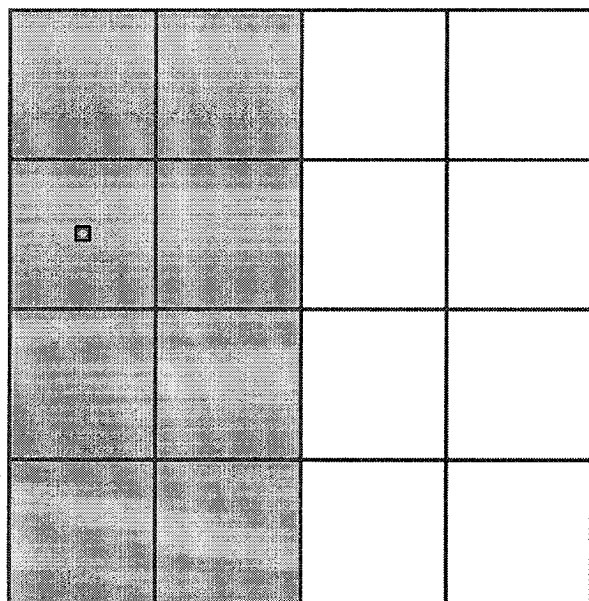
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-5-63552	Pool Name WILDCAT PRECAMBRIAN	Pool Code
Property Code 32108	Property Name Quicksilver BBC State Com.	Well No. 001
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 3724

Surface And Bottom Hole Location

UL or Lot E	Section 26	Township 10S	Range 26E	Lot Idn	Feet From 1980	N/S Line N	Feet From 660	E/W Line W	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: 3/14/2003

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: Herscel L. Jones

Date of Survey: 2/27/2003

Certificate Number: 3640

APD Comments

Operator: 25575 Yates Petroleum Corporation

Well: Quicksilver BBC State Com. 001

User Name	Comment	Comment Date
BARRANT	Water protection string is set too deep. State engineer reports depth of water well @ 250. Oil production in area is @ 725 for top perms. Maximum water protection string needs to be no greater than 600.	3/14/2003
BARRANT	Providing well is completed below Wolfcamp as a gas well, it will be place in the Comanche Spring; Pre-Permian Gas Pool thru nomenclature as well is directly to the west from existing pool.	3/14/2003