3

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

Yates Petroleum Corpo	OGRID Number 25575	
105 South Fourth St. Artesia, NM 88210		API Number 30-5-63551
Property Code 30929	Property Name Loretta BBO State Com.	Well No. 002
<i>34106</i>		100 10 10 100 100 100 100 100 100 100 1

Surface Location

UL or Lot Sec	non Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G 1	9 10S	27E		1980	N	1980	Е	Chaves

Proposed Pools

WILDCAT PRECAMBRIAN

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 3739
Multiple N	Proposed Depth 6895	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	14.75	11.75	42	600	400	0
Int1	11	8.625	24	1300	500	0
Prod	7.875	5.5	15.5	6895	650	4200

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 as needed for production. Please Note - 8.625 casing will only be set if lost circulation is encountered. MUD PROGRAM: 0-600 ft. FW Gel/Paper/LCM; 600-4760 ft. Brine; 4760-6895 ft. Starch/Salt Gel.

Proposed Blowout Prevention Program

Туре	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: Robert Asher

Title: Regulatory Technician

Date: 3/11/2003

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 3/11/2003 Expiration Date: 3/11/2004

Conditions of Approval: There are conditions. See Attached.

Form C-102

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-5-63551	Pool Name WILDCAT PRECAMBRIAN	Pool Code
Property Code 30929	Property Name Loretta BBO State Com.	Well No. 002
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 3739

Surface And Bottom Hole Location

UL or Lot	Section 19	Township 10S	Range 27E	Lot Idn	Feet From 1980	N/S Line N	Feet From 1980	E/W Line E	County Chaves
	ed Acres	Joint or	Infill	Consoli	dation Code		Order 1	Vo.	

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: 3/11/2003

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 Conditions Of Approval

Operator: 25575 Yates Petroleum Corporation

Well: Loretta BBO State Com. 002

OCD Reviewer	Condition	MARKET PROPERTY.
BARRANT	Cement on production casing to cover ALL oil, gas and water bearing formations.	