

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 30-15-32678
Property Code 32103	Property Name Kennedy JQ	Well No. 002

Surface Location

UL or Lot B	Section 33	Township 17S	Range 26E	Lot Idn	Feet From 660	N/S Line N	Feet From 1980	E/W Line E	County Eddy
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Proposed Pools

WILDCAT MISSISSIPPIAN				
Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type Private	Ground Level Elevation 3370
Multiple N	Proposed Depth 8840	Formation Mississippi Limestone	Contractor	Spud Date 3/13/2002

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	400	200	0
Intl	12.25	9.625	36	1300	600	0
Prod	8.75	5.5	17	8840	2850	800

Casing/Cement Program: Additional Comments

YPC proposes to drill/test the Mississippian/intermediate formations. Approx. 400 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: 0-400 ft. FW/Spud mud; 400-1300 ft. FW; 1300-7800 ft. Cut Brine; 7800-TD Salt Gel/Starch/KCL.

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: Robert Asher

Title: Regulatory Technician

Date: 3/12/2003

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 3/13/2003

Expiration Date: 3/13/2004

Conditions of Approval:

There are conditions. See Attached.

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State of New Mexico
Energy, Minerals and Natural Resources

Form C-102

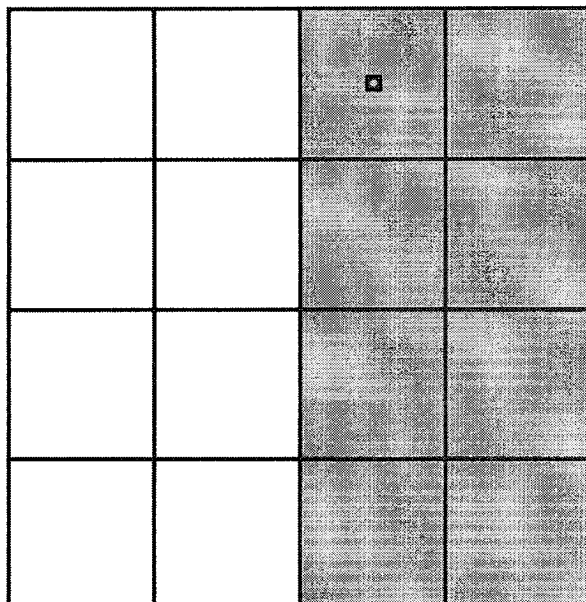
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-15-32678	Pool Name WILDCAT MISSISSIPPIAN	Pool Code
Property Code 32103	Property Name Kennedy JQ	Well No. 002
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 3370

Surface And Bottom Hole Location

UL or Lot B	Section 33	Township 17S	Range 26E	Lot Idn	Feet From 660	N/S Line N	Feet From 1980	E/W Line E	County Eddy
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: 3/12/2003

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: Dan R. Reddy

Date of Survey: 3/12/2003

Certificate Number: 5412