

CISF
Bbm
gthd

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 30-15-32578
Property Code 30940	Property Name State AU Com.	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	33	18S	25E		990	S	660	E	Eddy

Proposed Pools

UNDESIGNATED BOYD MORROW

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 3516
Multiple N	Proposed Depth 9200	Formation Morrow	Contractor	Spud Date 1/14/2003

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	400	450	0
Int'l	12.25	8.625	24	1200	750	0
Prod	7.875	5.5	17	9200	1100	4900

Casing/Cement Program: Additional Comments

YPC proposesto drill/test the Morrow/intermediate formations. Approx. 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 FW/Native Mud; 400-1200 Fresh Water; 1200-8300 Cut Brine; 8300-9200 Salt Gel/Starch/KCL.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	