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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 30-15-32527
Property Code 12520	Property Name Lost Tank AIS State	Well No. 007

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	36	21S	31E		2310	N	2310	W	Eddy

Proposed Pools

LOST TANK;DELAWARE 40299

Work Type New Well	Well Type Oil	Cable/Rotary	Lease Type State	Ground Level Elevation 3578
Multiple N	Proposed Depth 8500	Formation Delaware	Contractor	Spud Date 11/13/2002

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	850	450	0
Intl	11	8.625	32	4200	1400	0
Prod	7.875	5.5	17	8500	1000	0

Casing/Cement Program: Additional Comments

YPC proposes to drill/test the Delaware/intermediate formations. Approx. 850 of surface casing will be set/cemented. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-850 FW/Native Mud; 850-4200 Brine; 4200-6900 Cut Brine; 6900-8500 Cut Brine/Starch.

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: Manager

Date: 11/12/2002

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date:

11/12/2002

Expiration Date:

11/12/2003

Conditions of Approval:

There are conditions. See Attached.

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Form C-102

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-15-32527	Pool Name LOST TANK;DELAWARE	Pool Code 40299
Property Code 12520	Property Name Lost Tank AIS State	Well No. 007
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 3578

Surface And Bottom Hole Location

UL or Lot F	Section 36	Township 21S	Range 31E	Lot Idn	Feet From 2310	N/S Line N	Feet From 2310	E/W Line W	County Eddy
Dedicated Acres 40		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: Manager

Date: 11/12/2002

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: Herschel L. Jones

Date of Survey: 10/23/2002

Certificate Number: 3640

APD Conditions Of Approval

Operator: 25575 Yates Petroleum Corporation

Well: Lost Tank AIS State 007

OCD Reviewer	Condition
BARRANT	Notify OCD spud and time to witness cementing of ALL casing strings. Operator to follow all requirements of R-111-P.