

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  
Permit 1124

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-025-36735
Property Code 33987	Property Name METEOR BEM STATE	Well No. 002

Surface Location

UL or Lot C	Section 23	Township 11S	Range 34E	Lot Idn C	Feet From 975	N/S Line N	Feet From 1710	E/W Line W	County Lea
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Proposed Pools

FOUR LAKES;ATOKA, NORTH (GAS) 76880
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4145
Multiple N	Proposed Depth 12500	Formation Mississippian Age Rocks- Undivided	Contractor	Spud Date 06/22/2004

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	400	0
Int1	12.25	9.625	36	4250	1550	0
Prod	8.75	5.5	17	12500	1650	3750

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Austin and intermediate formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production. MUD PROGRAM: 0-400' - FWGel/Paper; 400' - 2000' - Fresh Water; 2000' - 4250' - Red Bed Mud/Oil; 4250' - 7600' - Cut Brine; 7600' - 9110' SGel/Oil; 9110' - 11518' - SGel/Starch; 11518' - TD SW/Starch/4%-6%KCL. BOPE Program: A 5000# BOPE will be installed on the 9 5/8" casing and

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 06/21/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 06/22/2004

Expiration Date: 06/22/2005

Conditions of Approval:

There are conditions. See Attached.