

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 30-15-32751
Property Code 32246	Property Name Cigar BCM State Com.	Well No. 001

Surface Location

UL or Lot M	Section 36	Township 23S	Range 27E	Lot Idn	Feet From 660	N/S Line S	Feet From 660	E/W Line W	County Eddy
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Proposed Pools

UNDESIGNATED BLACK RIVER MORROW

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 3138
Multiple N	Proposed Depth 12900	Formation Mississippi Limestone	Contractor	Spud Date 4/17/2003

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	500	500	0
Int1	12.25	9.625	36	2350	1100	0
Int2	8.625	7	26	10500	1650	1850
Prod	6.125	4.5	11.6	12900	400	10000

Casing/Cement Program: Additional Comments

YPC proposes to drill/test the Mississippian/intermediate formations. Approx. 500 of surface casing will be set/cemented. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-500 ft. FW Gel; 500-2350 ft. Brine; 2350-9100 ft. Cut Brine; 9100-10,300 ft. Brine; 10300-12,900 Polymer.

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: Robert Asher	
Title: Regulatory Technician	
Date: 4/16/2003	Phone: 505-748-4364

OIL CONSERVATION DIVISION	
Electronically Approved By: Bryan Arrant	
Title: Geologist	
Approval Date: 4/16/2003	Expiration Date: 4/16/2004
Conditions of Approval: No Conditions	

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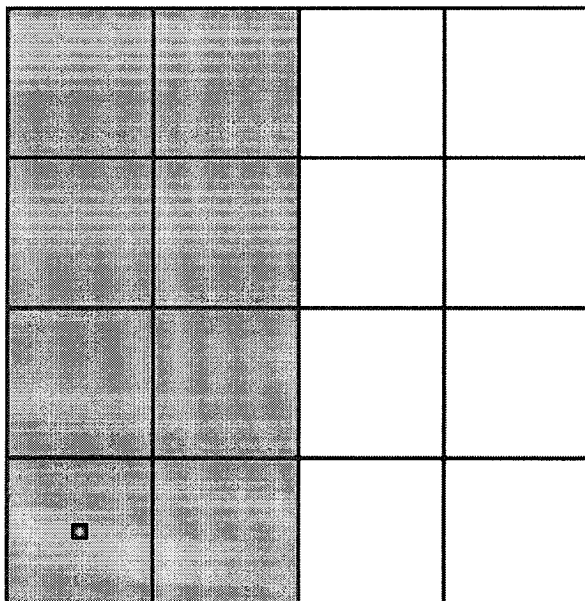
Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-15-32751	Pool Name UNDESIGNATED BLACK RIVER MORROW	Pool Code
Property Code 32246	Property Name Cigar BCM State Com.	Well No. 001
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 3138

Surface And Bottom Hole Location

UL or Lot M	Section 36	Township 23S	Range 27E	Lot Idn	Feet From 660	N/S Line S	Feet From 660	E/W Line W	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: 4/16/2003

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: 4/12/2003
Certificate Number: 5412