

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 30-5-63569
Property Code 32389	Property Name Stare State Unit	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	8	09S	27E		660	N	660	W	Chaves

Proposed Pools

WILDCAT PRECAMBRIAN

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 3874
Multiple N	Proposed Depth 6700	Formation Undesignated Precambrian	Contractor	Spud Date 5/20/2003

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	350	450	0
Int1	12.25	8.625	24	1000	400	0
Prod	7.875	5.5	15.5	6700	650	4300

Casing/Cement Program: Additional Comments

CEMENT TO COVER ALL OIL, GAS & WATERBEARING ZONES. YPC proposes to drill/test the Precambrian/intermediate formations. Approximately 350 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: 0-350 ft. FW Gel/Paper/LCM; 350-1000 ft. FW; 1000-4750 ft. Brine; 4750-6700 ft. Starch/Salt Gel.

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.		OIL CONSERVATION DIVISION	
Electronically Signed By: Robert Asher		Electronically Approved By: Bryan Arrant	
Title: Regulatory Technician		Title: Geologist	
Approval Date: 5/29/2003		Expiration Date: 5/29/2004	
Date: 5/19/2003		Conditions of Approval: There are conditions. See Attached.	
Phone: 505-748-4364			

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State of New Mexico
Energy, Minerals and Natural Resources

Form C-102

Oil Conservation Division

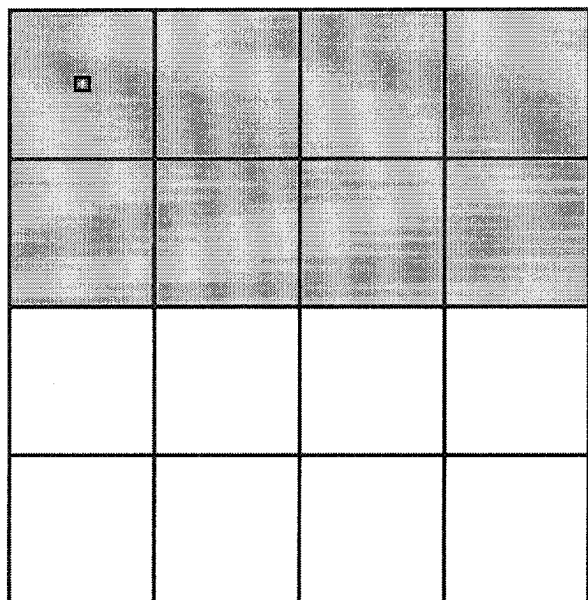
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-5-63569	Pool Name WILDCAT PRECAMBRIAN	Pool Code
Property Code 32389	Property Name Stare State Unit	Well No. 001
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 3874

Surface And Bottom Hole Location

UL or Lot D	Section 8	Township 09S	Range 27E	Lot Idn	Feet From 660	N/S Line N	Feet From 660	E/W Line W	County Chaves
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: 5/19/2003

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: Herschel L. Jones

Date of Survey: 4/29/2003

Certificate Number: 3640

APD Comments**Operator: 25575 Yates Petroleum Corporation****Well: Stare State Unit 001**

User Name	Comment	Comment Date
BARRANT	Setting depth for surface casing is set too deep. Max depth needs to be no greater than @450 feet. Refer to offset wells for more information	5/15/2003
BARRANT	FYI-Well location is just southeast of existing Foor Ranch; Pre-Permian Gas Pool	5/29/2003