

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 30-005-63629
Property Code 33232	Property Name Cusack BCM Com.	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	21	06S	26E	J	1980	S	1650	E	Chaves

Proposed Pools

Undesignated Precambrian				
Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 3621
Multiple N	Proposed Depth 5600	Formation Undesignated Precambrian	Contractor	Spud Date 12/23/2003

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	950	550	0
Int1	11	8.625	24	1500	250	750
Prod	7.875	5.5	15.5	5600	600	3250

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Precambrian/intermediate formations. Approximately 950' of surface casing will be set/cement. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. NO H2S ANTICIPATED. MUD PROGRAM: 0-950' FWGel/Paper/LCM; 950'-1500' Cut Brine; 1500'-3700' Brine; 3700'-5600' Starch/Salt Gel/KCL. BOPE PROGRAM: A 2000# BOPE will be installed.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

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: 12/22/2003

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 12/27/2003 Expiration Date: 12/27/2004

Conditions of Approval:
There are conditions. See Attached.

Permit Conditions Of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: Cusack BCM Com. #001

OCD Reviewer	Condition
BARRANT	Cement to cover ALL water, oil and gas bearing formations.
BARRANT	Notify OCD time of spud and time to witness the cementing of the water protection string.

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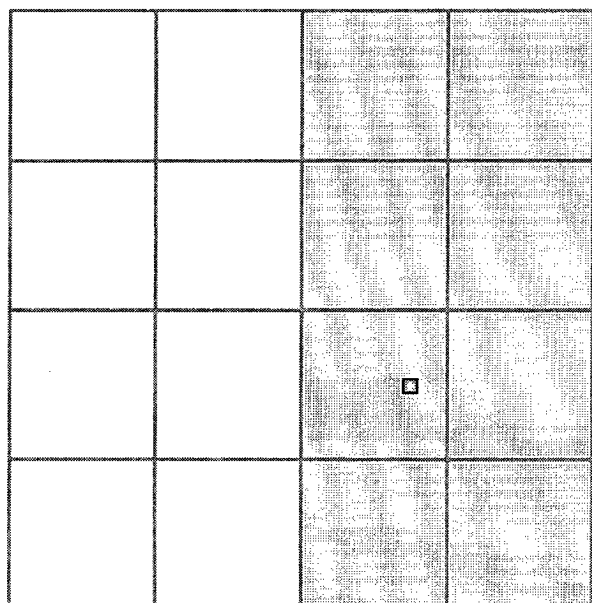
Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63629	Pool Name Undesignated Precambrian	Pool Code
Property Code 33232	Property Name Cusack BCM Com.	Well No. 001
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3621

Surface And Bottom Hole Location

UL or Lot J	Section 21	Township 06S	Range 26E	Lot Idn J	Feet From 1980	N/S Line S	Feet From 1650	E/W Line E	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: Debbie Caffall

Title: Regulatory Technician

Date: 12/22/2003

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.

Surveyed By: Herschel Jones

Date of Survey: 12/12/2003

Certificate Number: 3640

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

December 22, 2003

Mr. Bryan Arrant
Oil Conservation Division, District II Office
1301 W. Grand Ave.
Artesia, NM 88210

Re: Cusack BCM Com. #1
1980' FSL and 1650' FEL
Section 21, T6S-R26E
Chaves County, New Mexico
H2S Contingency Plan

RECEIVED
DEC 29 2003
OCD-ARTESIA

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will be no H2S anticipated from the surface to the Precambrian Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Robert Asher
Regulatory Agent

/rca