

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 30-25-36320
Property Code 32256	Property Name Waylon State Unit	Well No. 002

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	15	11S	34E		660	S	660	W	Lea

Proposed Pools

WILDCAT S113411J;MISS (GAS) 97042
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Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 4143
Multiple N	Proposed Depth 12750	Formation Mississippi Limestone	Contractor	Spud Date 7/8/2003

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	400	400	0
Int1	12.25	9.625	40	4200	1400	0
Prod	8.75	7	26	12750	1600	3700

Casing/Cement Program: Additional Comments

YPC proposes to drill/test the Mississippian/intermediate formations. Approximately 400 ft. of surface casing will be set/cemented. Intermediate casing will be set @ 4200 ft, cement circulated to the surface. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-400 ft. FW/Spud Mud; 400-2130 ft. FW: 2130-4200 ft. Red Bed Mud/Oil; 4200-7650 ft. Cut Brine; 7650-9115 ft. S Gel/Oil; 9115-11560 ft. Starch; 11560-TD SW/Starch/4% KCL.

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: 7/7/2003	Phone: 505-748-4364

OIL CONSERVATION DIVISION	
Electronically Approved By: Paul Kautz	
Title: Geologist	
Approval Date: 7/8/2003	Expiration Date: 7/8/2004
Conditions of Approval: No Conditions	

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State of New Mexico
Energy, Minerals and Natural Resources

Form C-102

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-25-36320	Pool Name WILDCAT S113411J;MISS (GAS)	Pool Code 97042
Property Code 32256	Property Name Waylon State Unit	Well No. 002
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 4143

Surface And Bottom Hole Location

UL or Lot M	Section 15	Township 11S	Range 34E	Lot Idn	Feet From 660	N/S Line S	Feet From 660	E/W Line W	County Lea
Dedicated Acres 300.73		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: 7/7/2003

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: 7/2/2003

Certificate Number: 3640