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

Yates Petroleun	Operator Name and Address Yates Petroleum Corporation			
11	105 South Fourth St. Artesia, NM 88210			
Property Code Property Name 32847 Mandrell 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	19	14S	35E		990	N	990	W	Lea

Proposed Pools

WILDCAT MISSISSIPPIAN

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 4066
Multiple N	Proposed Depth 14100	Formation Chester	Contractor	Spud Date

Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	500	0
Int1	12.25	9.625	40	6200	1750	0
Prod	8.75	5.5	20	14100	2700	5600

Casing/Cement Program: Additional Comments

YPC proposes to drill/test the Chester/intermediate formations. Approx. 400 of surface casing will be set/cemented. Intermediate casing will be set @ 6200k, cement circ. to surface. If commercial, prod. casing will be run/cemented, perforate/stimulate as needed for production. MUD PROGRAM: 0-400 FW Gel/Paper; 400-1860 FW; 1860-6150 FW Going to Brine; 6150-12300 Cut Brine w/Sweeps; 12300-14100 Salt Gel/Starch/4% KCL.

Proposed Blowout Prevention Program

	2 1 0 p 0 5 0 tt 2 1 0 1 0 0 tt 2 1 0 1 0 1			
Туре	Working Pressure	Test Pressure	Manufacturer	
Double Ram	5000	5000		

I hereby certify that the information given above is true	OIL CONSERVATION DIVISION				
and complete to the best of my knowledge and belief.	Electronically Approved By: Paul Kautz				
Electronically Signed By: Debbie Caffall	Title: Geologist				
Title: Regulatory Technician	Approval Date: 9/10/2003 Expiration Date: 9/10/2004				
Date: 9/9/2003 Phone: 505-748-4364	Conditions of Approval:				
	No Conditions				

State of New Mexico Energy, Minerals and Natural Resources

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-25-36402	Pool Name WILDCAT MISSISSIPPIAN	Pool Code
Property Code 32847	Property Name Mandrell State Unit	Well No. 001
OGRID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 4066

Surface And Bottom Hole Location

UL or Lot	Section 19	Township 14S	Range 35E	Lot Idn	Feet From 990	N/S Line	Feet From 990	E/W Line W	County Lea
II	ted Acres	Joint or	Infill	Consoli	dation Code		Order l	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: 9/9/2003
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 Jones Date of Survey: 9/5/2003 Certificate Number: 3640