Form C-101

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

APPLICATION FOR PERMIT TO DRILL

YATES PETROLE	Operator Name and Address YATES PETROLEUM CORPORATION				
105 South Fourth S Artesia, NM 8821	105 South Fourth St. Artesia, NM 88210				
Property Code 33253					

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	31	11S	35E	K	1980	S	1980	W	Lea

Proposed Pools

FOUR LAKES;MISSISSIPPIAN (GAS) 97053

Work Type New Well	Well Type Cable/Rotary GAS		Lease Type State	Ground Level Elevation 4143	
Multiple N	Proposed Depth 12750	Formation Mississippi Limestone	Contractor	Spud Date 01/08/2004	

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	4300	1500	0
Prod	8.75	5.5	17	12750	1650	3800

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Mississippian/intermediate formations. Approximately 400' of surface casing will be set/cemented. Intermediate casing will be set @ 4550', cement circ. to surface. If commercial, production casing will be run/cemented, perforate/stimulate as needed for production. MUD PROGRAM: 0-400' FW/Spud Mud; 400'-2210' FW; 2210' – 4300' Red Bed Mud/Oil; 4300' -7750' Cut Brine; 7750'-9750' Salt Gel/Oil; 9750'-11600' S Gel/Starch; 11600' - 12750' SW/Starch/4% KCL. NO H2S ANTICIPATED.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

I hereby certify that the information given above is true and	OIL CONSERVATION DIVISION			
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: 01/08/2004 Expiration Date: 01/08/2005			
Date: 01/07/2004 Phone: 505-748-4364	Conditions of Approval: No Conditions			

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36525	Pool Name FOUR LAKES;MISSISSIPPIAN (GAS)	Pool Code 97053
Property Code 33253	Property Name Willie State Unit	Well No. 001
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4143

Surface And Bottom Hole Location

UL or Lot	Section 31	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K		11S	35E	K	1980	S	1980	W	Lea
Dedicated Acres Jo 312.41		Joint or	Infill	Consoli	dation Code		Order I	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: 01/07/2004
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: 01/05/2004 Certificate Number: 3640