

NM OIL CON. COMMISSION
 Drawer DD UNITED STATES
 Artesia, NM 88210 DEPARTMENT OF THE INTERIOR
 GEOLOGICAL SURVEY

RECEIVED
 SUBMIT IN TRIPPLICATE*
 (Other instructions on reverse side)
 MAR 11 1983

Form approved.
 Budget Bureau No. 42-R1425.

O. C. D.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
 207 S. 4th, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface 1650' FNL and 1330' FWL
 At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 3 miles SW of Artesia, New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 (Also to nearest drlg. unit line, if any) 330'

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1500'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 35⁴⁵ 32 GL

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 1/2"	10 3/4"	30#	appr. 340'	200 sx circulated
9 1/2"	7"	23#	appr. 1190'	400 sx circulated
6 1/4"	4 1/2"	9.5#	TD	125 sx circulated

Proposed to drill a San Andres test with approximately 340' of surface casing to shut off gravel and caving. 7" intermediate casing will be run and set 100' below the Artesian Zone and if commercial production is encountered, a string will be run, perforated and stimulated for production.

MUD PROGRAM: FW gel/LCM to 1190' (or dry drill), water to TD.

BOP PROGRAM: BOP's will be installed on 7" casing and tested daily.

*Posted on 3-16-83
 3-18-83*

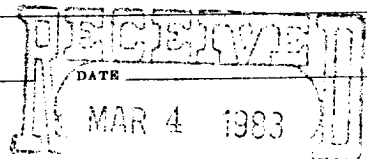
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Cy Cowan TITLE Regulatory Agent DATE 3/3/83

(This space for Federal or State office use)

PERMIT NO. APPROVED
 (ORIG. SGD.) DAVID R. GLASS
 APPROVED BY: MAR 9 1983
 CONDITIONS OF APPROVAL: JAMES A. GILLHAM
 DISTRICT SUPERVISOR

APPROVAL DATE: MAR 4 1983



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator YATES PETROLEUM CORPORATION		Lease Federal LDY			Well No. 8
Unit Letter E	Section 27	Township 17 South	Range 25 East	County Eddy	

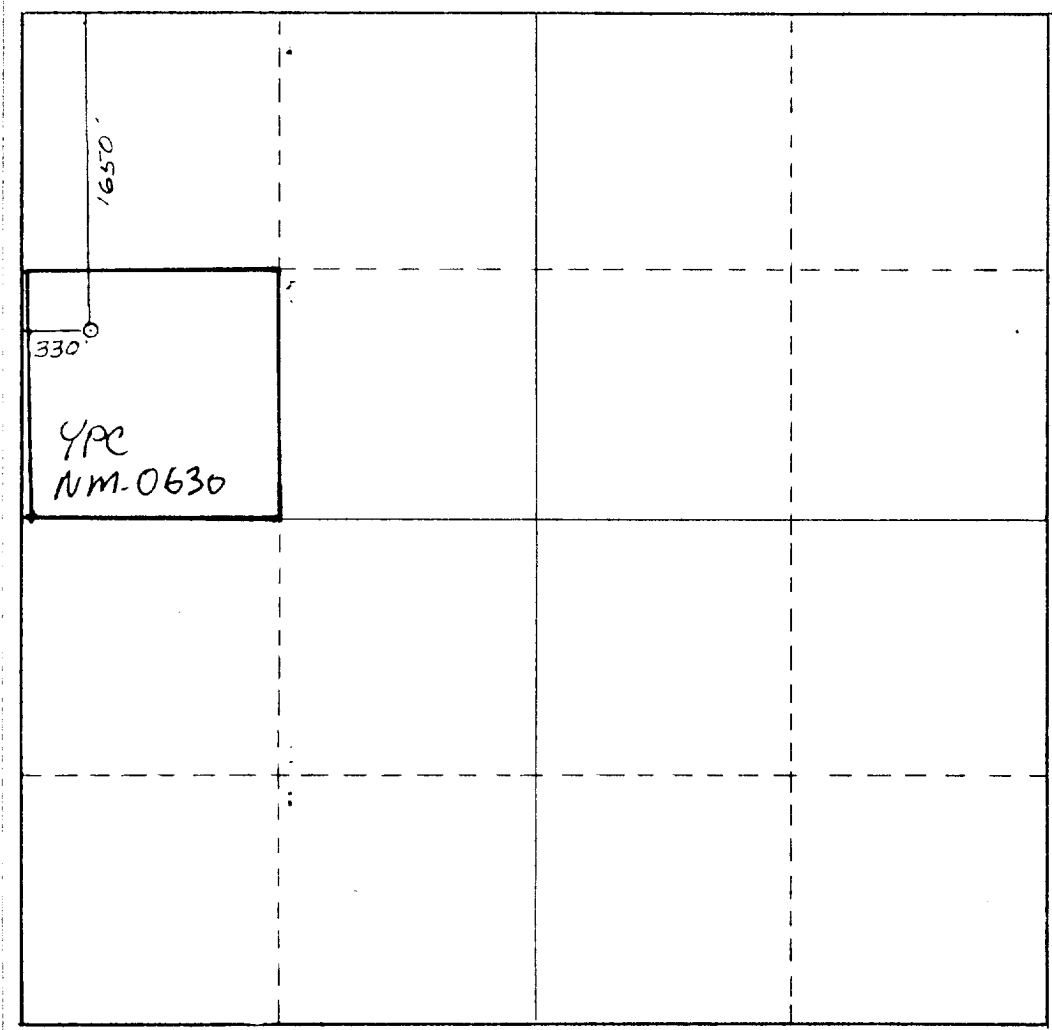
Actual Footage Location of Well:
1650 feet from the **North** line and **330** feet from the **West** line
 Ground Level Elev. **3545.** Producing Formation **SAN ANDRES** Pool **EAGLE CREEK (SA)** Dedicated Acreage: **40** Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

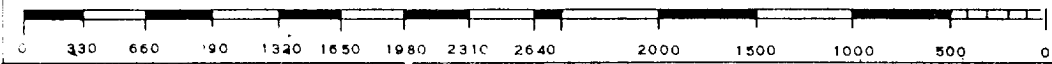
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Cy Cowan

Name Cy Cowan
Position Regulatory Agent
Company Yates Petroleum Corp.
Date 3/3/83

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 are true and correct to the best of my knowledge and belief.

Date Surveyed March 2, 1983
Registered Professional Engineer and/or Land Surveyor <i>San R. Reddy</i>
Certificate No. NM PE&LS #5412



YATES PETROLEUM CORPORATION
Federal LDY #8
1650' FNL and 330' FWL
Sec. 27-T17S-R25E

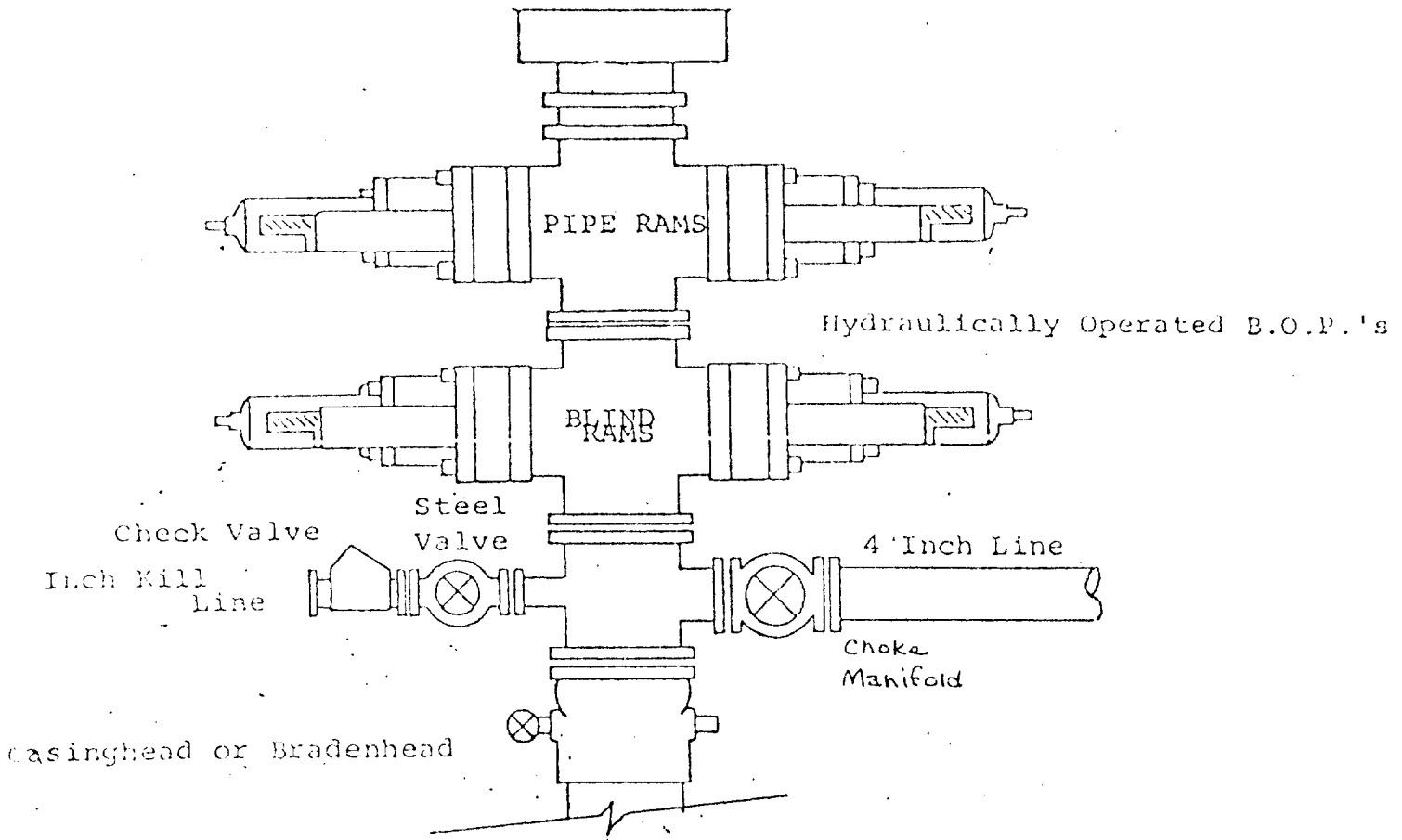
In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements.

1. The geologic surface formation is quaternary alluvium.
2. The estimated tops of geologic markers are as follows:
TD 1500'
(San Andres 780')

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:
Water: 150-250' 700-950'
Oil or Gas: San Andres 1300-1450'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment;
sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:
Samples: 10' samples from under surface
DST's: none
Coring: none
Logging: GR-Nuetron
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

EXHIBIT B

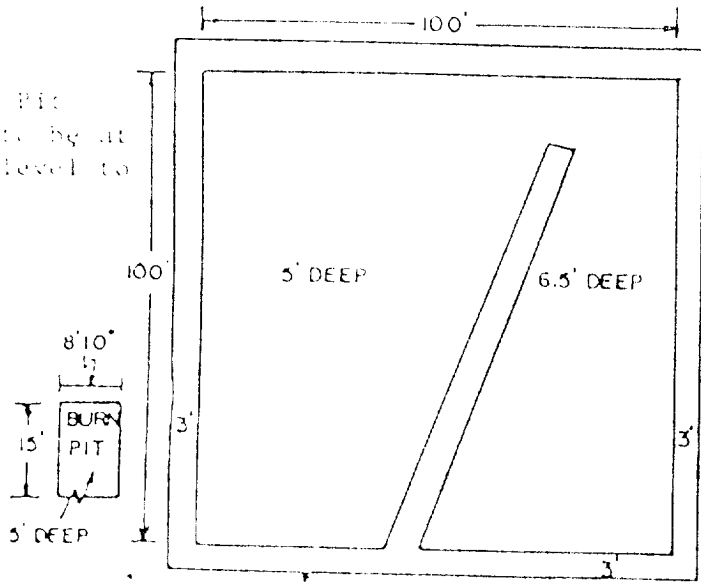
BDP DIAGRAM



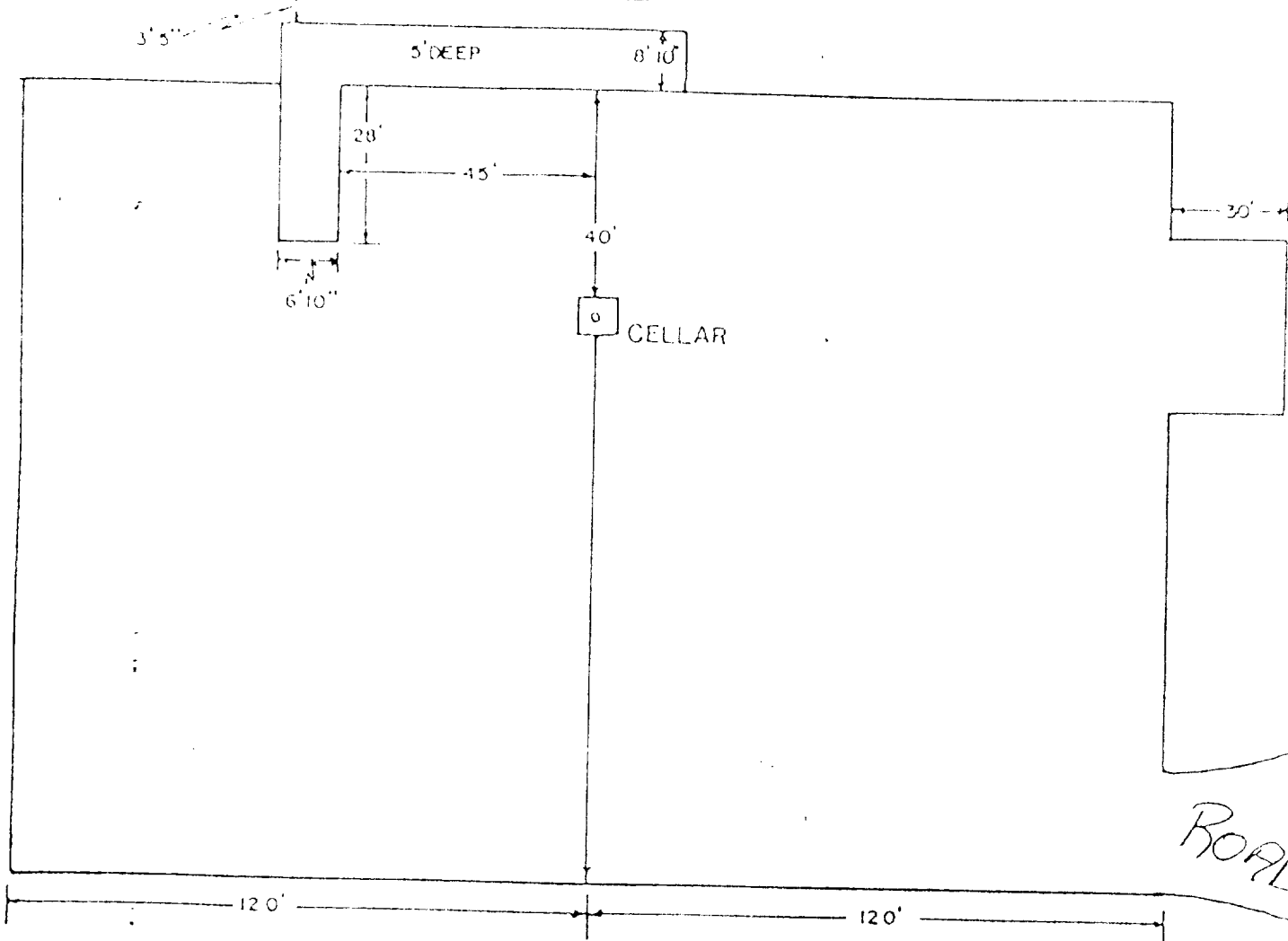
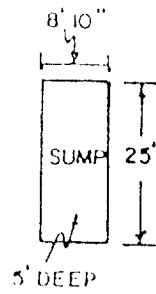
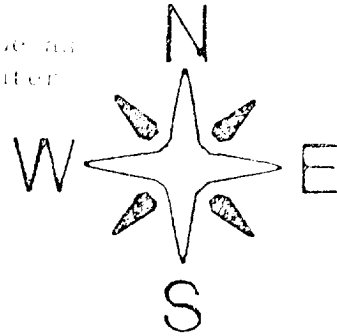
YATES PETROLEUM CORP.

Exhibit C

Reserve Pit
 11m 11 by at
 round level to
 11.



NOTE:
 Inside walls must be as
 high and wide as outer
 walls of pit.





207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS

March 3, 1983

Minerals Management Service
Federal Building
Roswell, New Mexico 88201
Attention: Mr. George Stewart

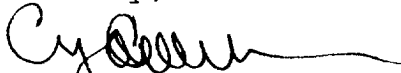
Re: Federal LDY #8

Dear Mr. Stewart,

Yates Petroleum Corporation has submitted an application to drill a well on surface owned by J. W. Gissler, P. O. Box 987, Artesia, New Mexico 88210. This well is located in Section 27-T17S-R25E, 1650' FNL and 330' FWL, Eddy County, New Mexico.

In an on-site visit with Mr. Gissler, it was agreed that we would compensate him monetarily for the surface damages incurred. After drilling has been completed, the pit area will be leveled after it is dry and along with the pad will be left to reseed naturally.

Sincerely,


Cy Cowan
Regulatory Agent
YATES PETROLEUM CORPORATION

CC/dw