

DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

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
 105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
 330' FSL & 990' FEL
 At proposed prod. zone
 Same

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

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

16. NO. OF ACRES IN LEASE
 80

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 8300'

19. PROPOSED DEPTH
 8300'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4194.6' GR

22. APPROX. DATE WORK WILL START*
 ASAP

5. LEASE DESIGNATION AND SERIAL NO.
 NM-57700

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Crossroads AFX Federal

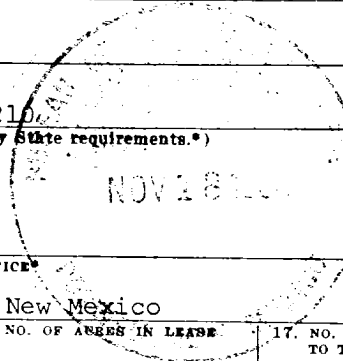
9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 22-7S-35E

12. COUNTY OR PARISH
 Roosevelt

13. STATE
 NM



PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# J-55	Approx. 350'	300 sacks - circulate
12-1/4"	9-5/8"	36# J-55	" 3500'	1100 sacks - circulate
8-3/4"	5-1/2"	17 & 20#	TD	500 sacks

We propose to drill and test the Pre-cambrian and intermediate formations. Approximately 350' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented. Will perforate and stimulate as needed for production.

MUD PROGRAM: Fresh water gel/LCM to 350', curt brine to 6700', salt water gel and starch to TD

BOP PROGRAM: BOP's will be installed at the offset and tested daily

GAS NOT DEDICATED

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.

24. SIGNED Cliff E May TITLE Permit Agent DATE Nov. 17, 1988
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY S/Phil Kirk TITLE Area Manager DATE DEC 9 1988

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE. APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS TO THE SUBJECT LEASE WHICH WOULD ENTITILE THE APPLICANT TO CONDUCT OPERATIONS THEREON.
 *See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-4-65

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

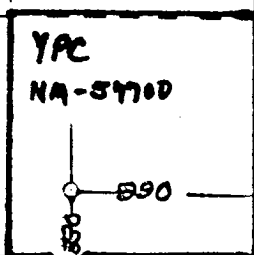
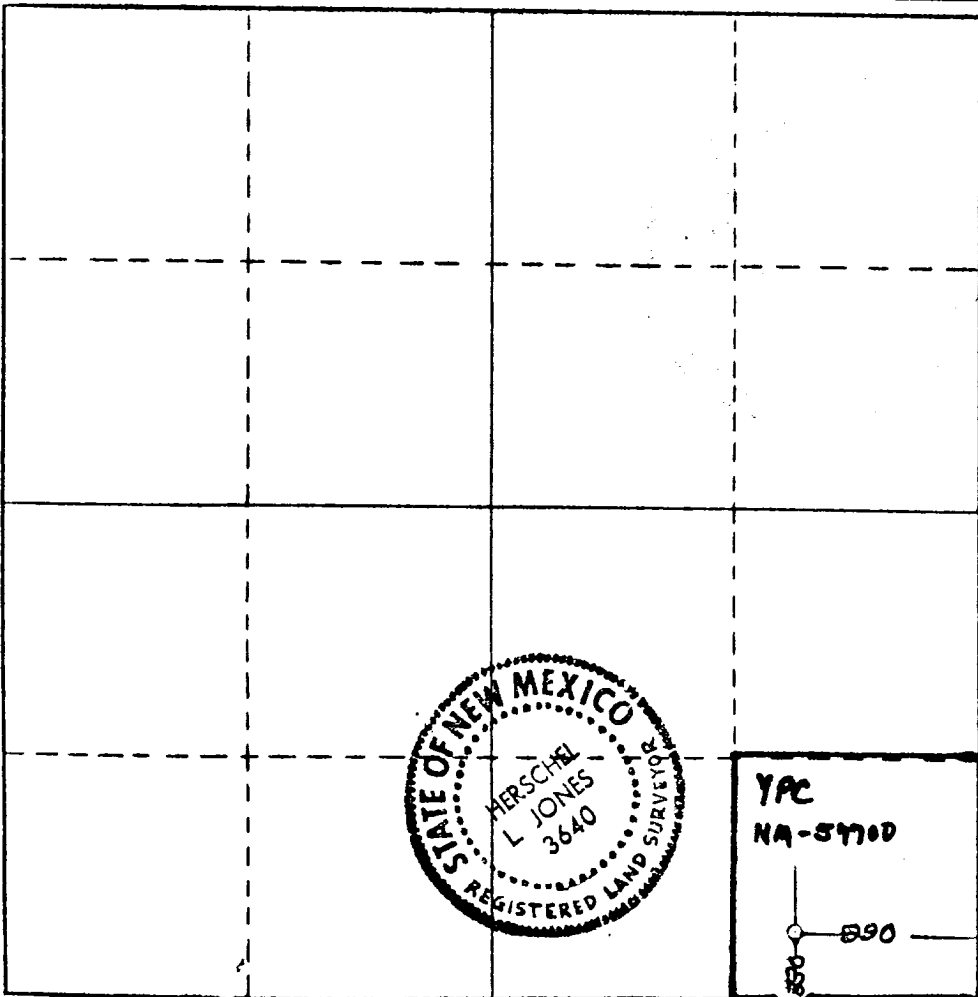
Operator YATES PETROLEUM CORPORATION			Lease CROSSROADS "AFX" Fed.		Well No. 1
Unit Letter "P"	Section 22	Township 7 South	Range 35 East	County Roosevelt	
Actual Footage Location of Well: 330 feet from the South line and 990 feet from the East line					
Ground Level Elev. 4194.6	Producing Formation PRECAMBRIAN (Gw)		Pool WILDCAT	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

Clifton R. May

Name
Clifton R. May

Position
Permit Agent

Company
Yates Petroleum Corporation

Date
November 17, 1988

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 knowledge and belief.

Date Surveyed
November 11, 1988

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones

Certificate No.
3640



YATES PETROLEUM CORPORATION
Crossroads AFX Federal #1
330' FSL and 990' FEL of
Section 22-T7S-R35E
Roosevelt County, New Mexico

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 BLM requirements.

1. The geological surface formation is alluvium.
2. The estimated tops of geologic markers are as follows:

Rustler	1990'	Tubb	6025'
Queen	2990'	Abo	6750'
San Andres	3445'	Wolfcamp	7380'
Glorieta	4755'	Precambrian	7950'
Clearfork	5390'	TD	8300'

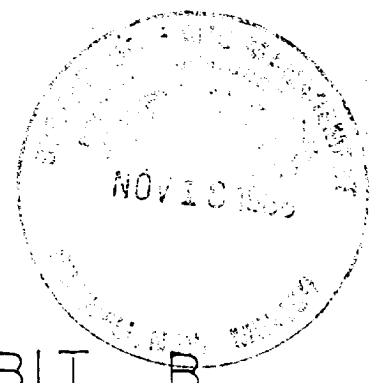
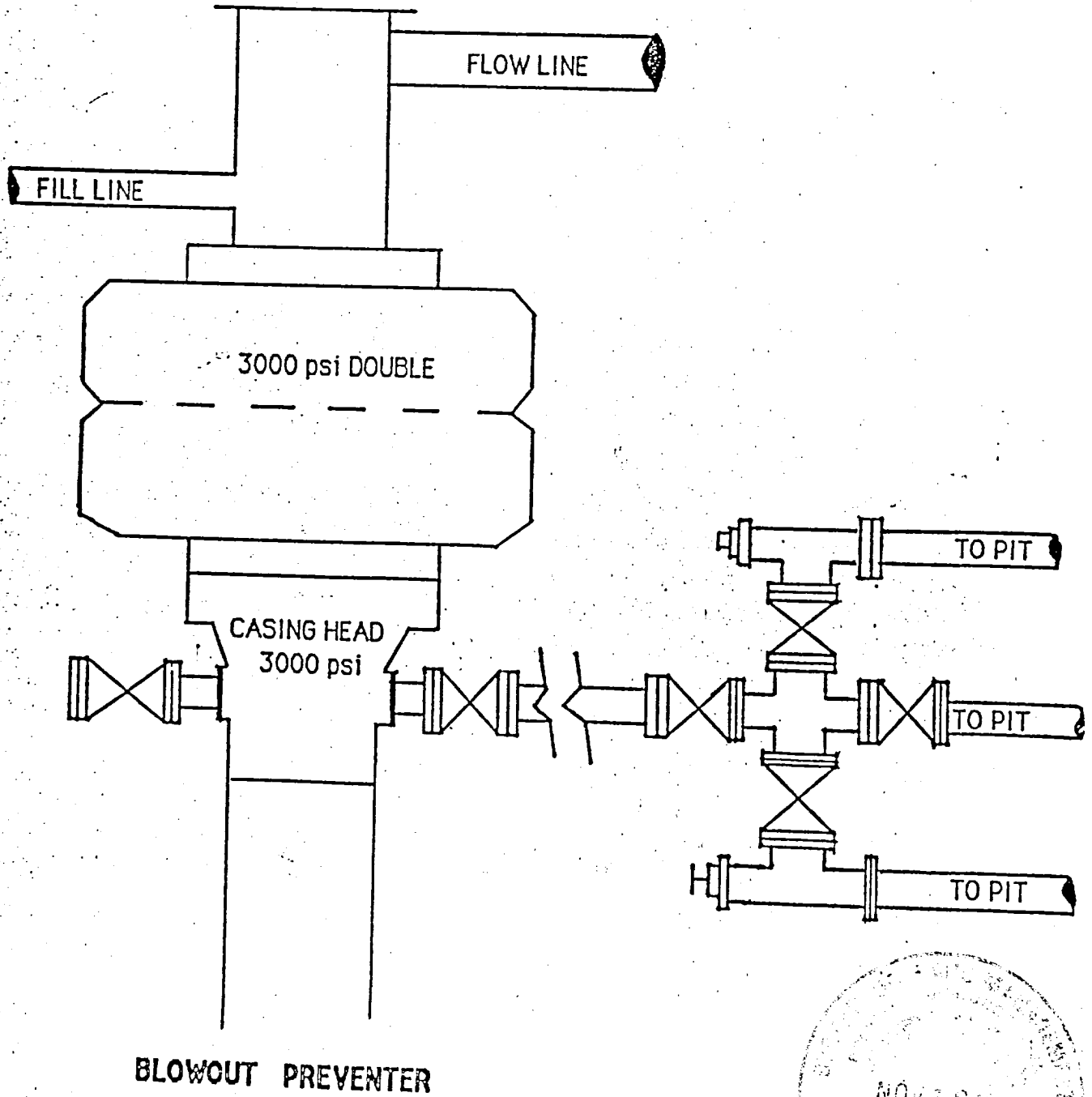
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 150'
Oil or Gas: 7380' and 7950'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
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:

DST's: As warranted
Logging: CNL/LDT from TD to casing with GR-CNL on to surface; DLL from TD to casing with Rxo from TD over selected intervals
Samples: 10' samples out from under surface casing to TD
Coring: None
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

YATES
PETROLEUM
CORPORATION



173

RECEIVED

DEC 13 1988

OCD
HOBBS OFFICE