

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL OIL WELL [X] 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 and 1650' FWL At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* Approximately 34 miles east of Hagerman, New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'

16. NO. OF ACRES IN LEASE

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.

19. PROPOSED DEPTH 2850'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4097.9' GR

22. APPROX. DATE WORK WILL START\* ASAP

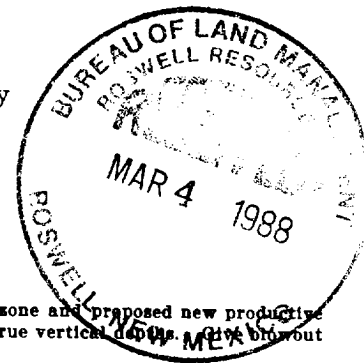
23. PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12-1/4" hole with 8-5/8" casing and 7-7/8" hole with 5-1/2" casing.

We propose to drill and test the Queen and intermediate formations. Approximately 950' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Native mud to 1550'; brine water to TD

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



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. (1% blowout preventer program, if any.)

24. SIGNED Clifton R. May TITLE Regulatory Agent DATE March 1, 1988

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

APPROVED BY S/Levi Deike, Acting TITLE Area Manager DATE APR 7 1988

CONDITIONS OF APPROVAL, IF ANY: APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD APPLICANT TO CONDUCT OPERATIONS THEREON.

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

See Instructions on Reverse Side

**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.

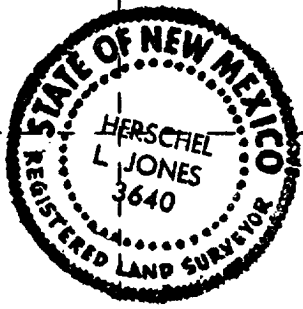
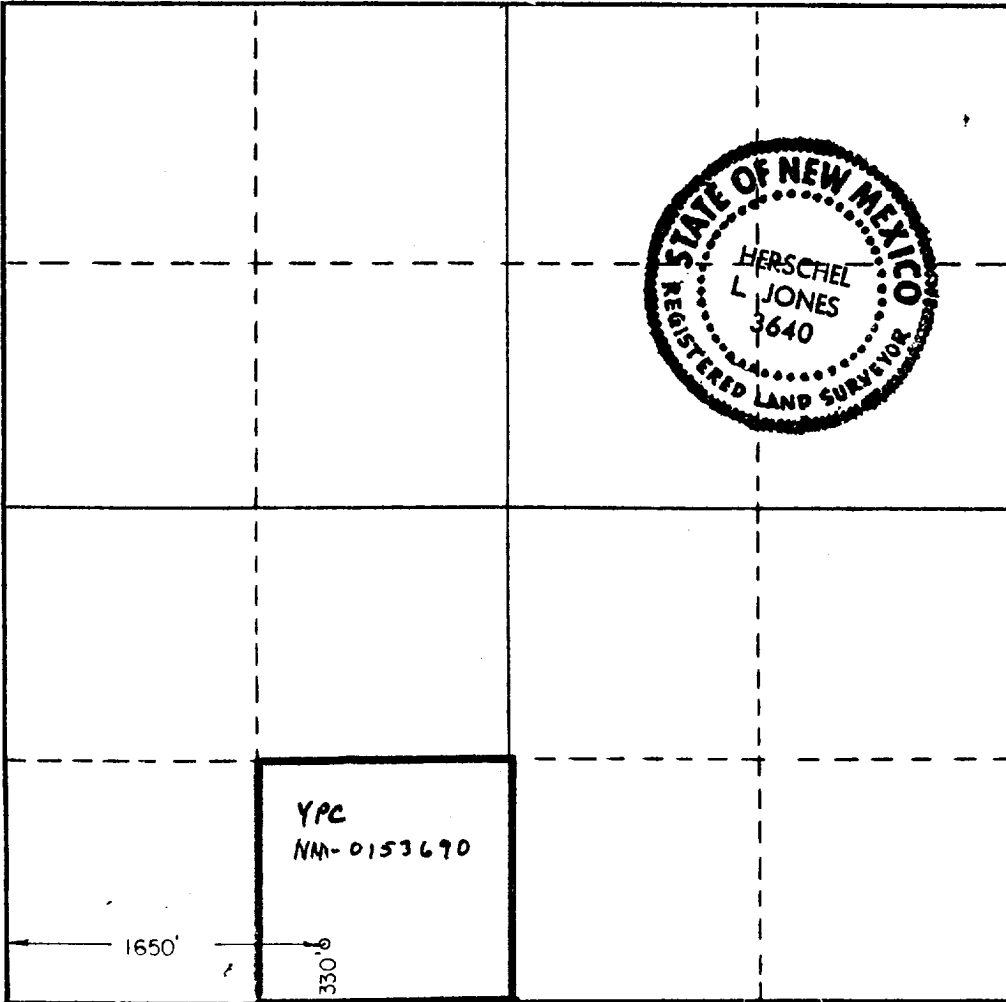
Operator <b>YATES PETROLEUM CORPORATION</b>		Lease <b>EXECUTOR "AFI" FEDERAL</b>			Well No. <b>1</b>
Unit Letter	Section <b>30</b>	Township <b>14 South</b>	Range <b>31 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>West</b> line and <b>330</b> feet from the <b>South</b> line					
Ground Level Elev. <b>4097.9</b>	Producing Formation <b>QUEEN</b>		Pool <b>WILDCAT</b>		Dedicated Acreage: <b>40</b> 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.

*Clifton R. May*

Name

Position

Company

Date

MAR 4 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

2/24/88

Registered Professional Engineer and/or Land Surveyor

*Herschel L. Jones*

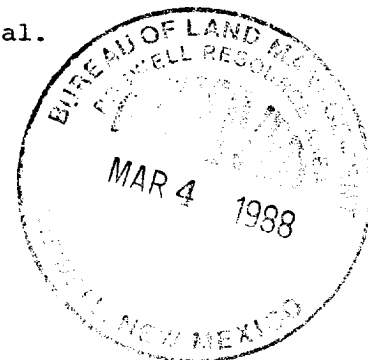
Certificate No. 3640

YATES PETROLEUM CORPORATION  
Executor AFI Federal #1  
330' FSL and 1650' FWL of  
Section 30-T14S-R31E  
Chaves 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 recent sand and alluvium.
2. The estimated tops of geologic markers are as follows:

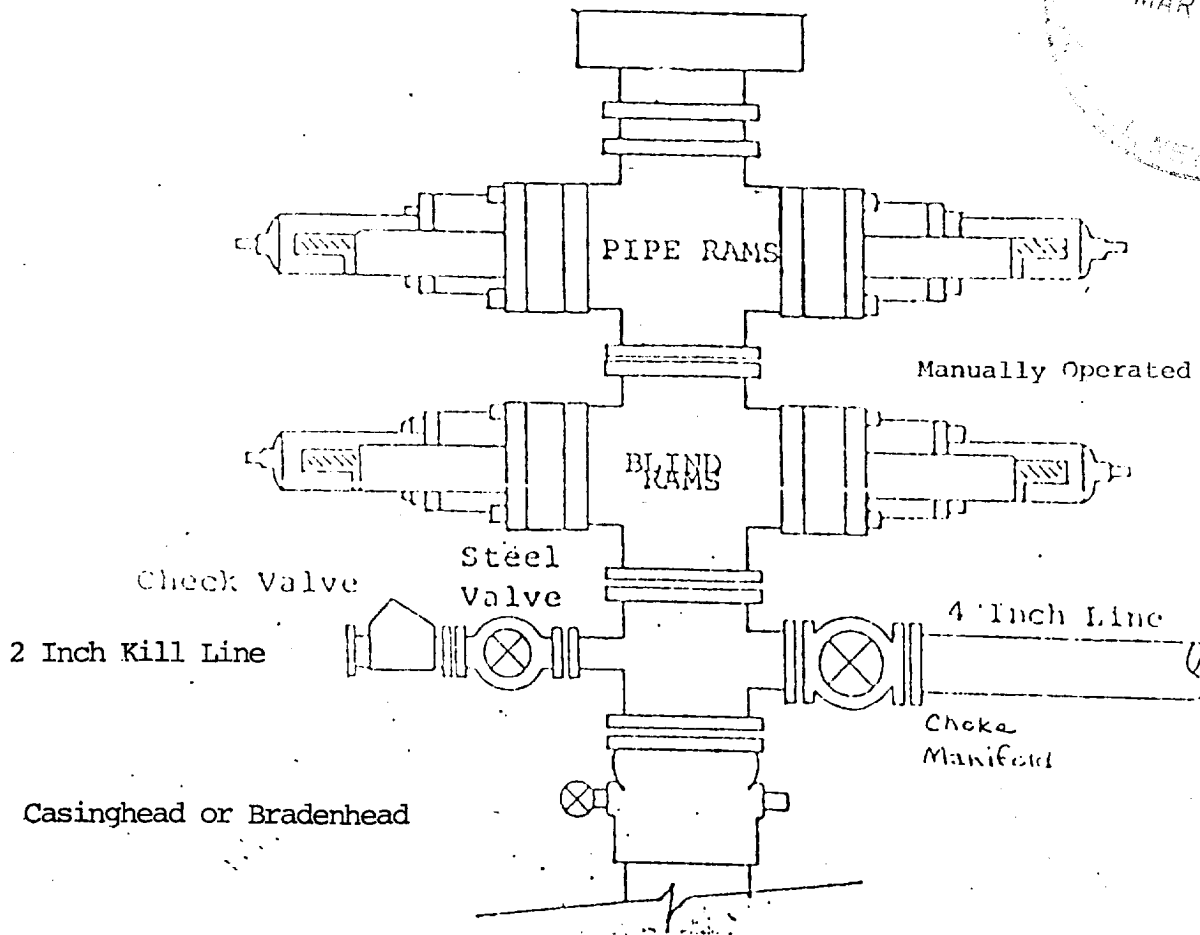
Anhydrite	930'
Salt	985'
Yates	1880'
Queen	2660'
Penrose	2780'
TD	2850'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:  
  
Water: Approximately 300'+  
Oil or Gas: 2660'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: 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: None  
Logging: CNL/LDC from TD to casing with GR-CNL on to surface; DLL from TD to casing  
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.



# EXHIBIT B

## BOP DIAGRAM

RATED 3000#



Hand 5-10-88

111