

UNITED STATES  
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, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
 At surface  
 1000' FSL & 5' FEL Sec. 16-T20S-R29E  
 At proposed prod. zone  
 775' FNL & 2095' FEL Sec. 22-T20S-R29E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 15 miles Northeast of Carlsbad, New Mexico 88220

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

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 320

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

19. PROPOSED DEPTH  
 12,200

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 3276'

22. APPROX. DATE WORK WILL START\*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20"	94#	425'	900 sx - circulate
17-1/2"	13-3/8"	54.5#	1350'	1000 sx - Circulate
12-1/4"	9-5/8"	36#	3250'	1500 sx - Circulate
8-3/8"	5-1/2"	17 & 20#	TD	As warranted

We propose to drill and test the Strawn and intermediate formations. Approximately 425' of surface casing will be set and cement circulated. Approximately 1350' of 13 3/8" casing will be set and cement circulated. Approximately 3250' of 9 5/8" casing will be set and cement circulated. If commercial, production casing will be run and cemented. Will perforate and stimulate as needed for production.

MUD PROGRAM: FW Gel/LCM 8.6#-9.6#, 34-40 vis to 425'; Brine 10#, 28 vis. to 3250'; Cut brine, 8.8#-9.5#, 28 vis to 10,500'; Salt Water gel/Drispack/Starch 9.4#-10.0#, 32-40 vis 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 Clifton R. May TITLE Permit Agent DATE 6-22-90

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORPORATION  
 Case No. 10014  
 07/25/90 Examiner Hearing  
 Exhibit No. 2

\*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.

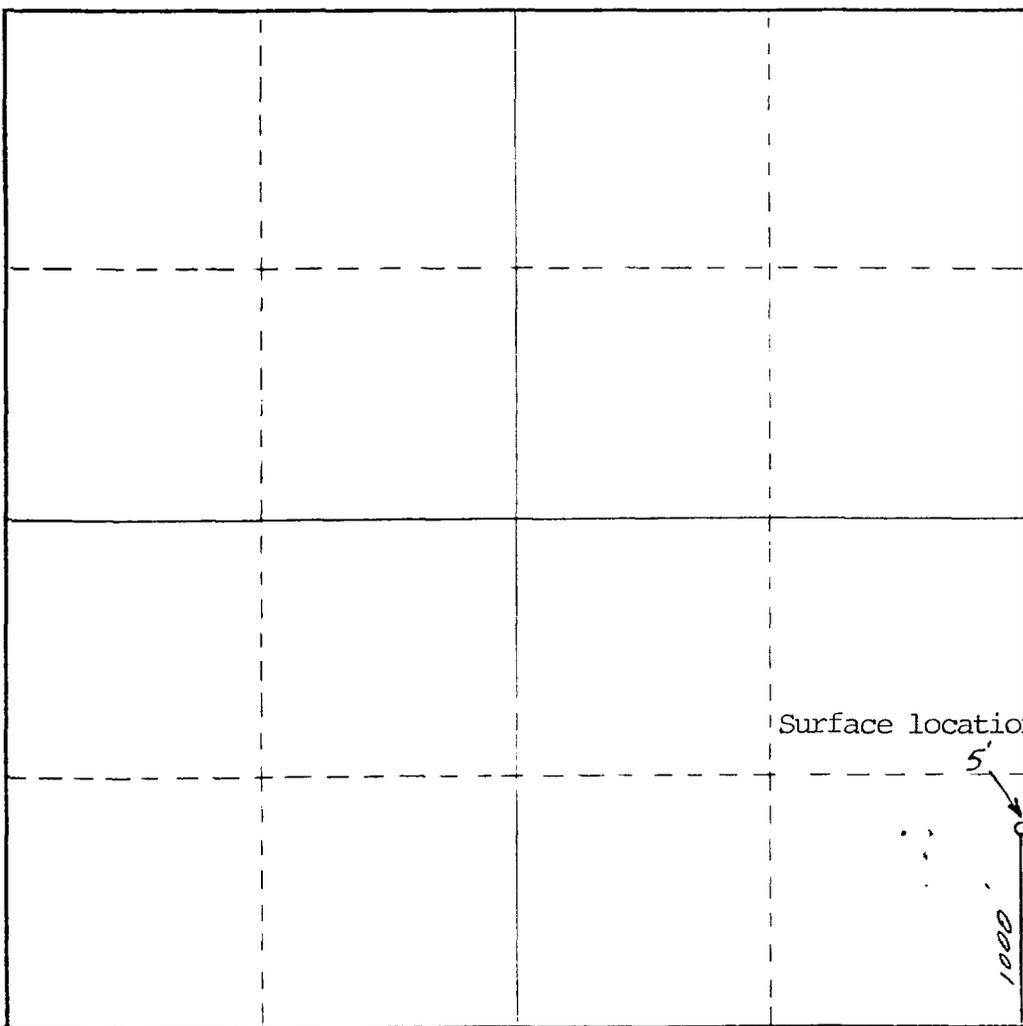
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Gazelle AHG Federal</b>			Well No. <b>2</b>		
Unit Letter <b>P</b>	Section <b>16</b>	Township <b>20 South</b>	Range <b>29 East</b>	County <b>Eddy County, N.M.</b>				
Actual Footage Location of Well: <b>1000</b> feet from the <b>South</b> line and <b>5</b> feet from the <b>East</b> line								
Ground Level Elev. <b>3284.</b>	Producing Formation <b>STRAWN</b>			Pool <b>WINDCAT STRAWN</b>	Dedicated Acreage: <b>320</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	<b>Clifton R. May</b>
Position	<b>Permit Agent</b>
Company	<b>Yates Petroleum Corporation</b>
Date	<b>6-22-90</b>

*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	<b>June 10, 1990</b>
Registered Professional Engineer and Land Surveyor	<b>Dan R. Reddy</b>
Certificate No.	<b>NM PE&amp;LS NO. 5412</b>



NEW MEXICO OIL CONSERVATION COMMISSION  
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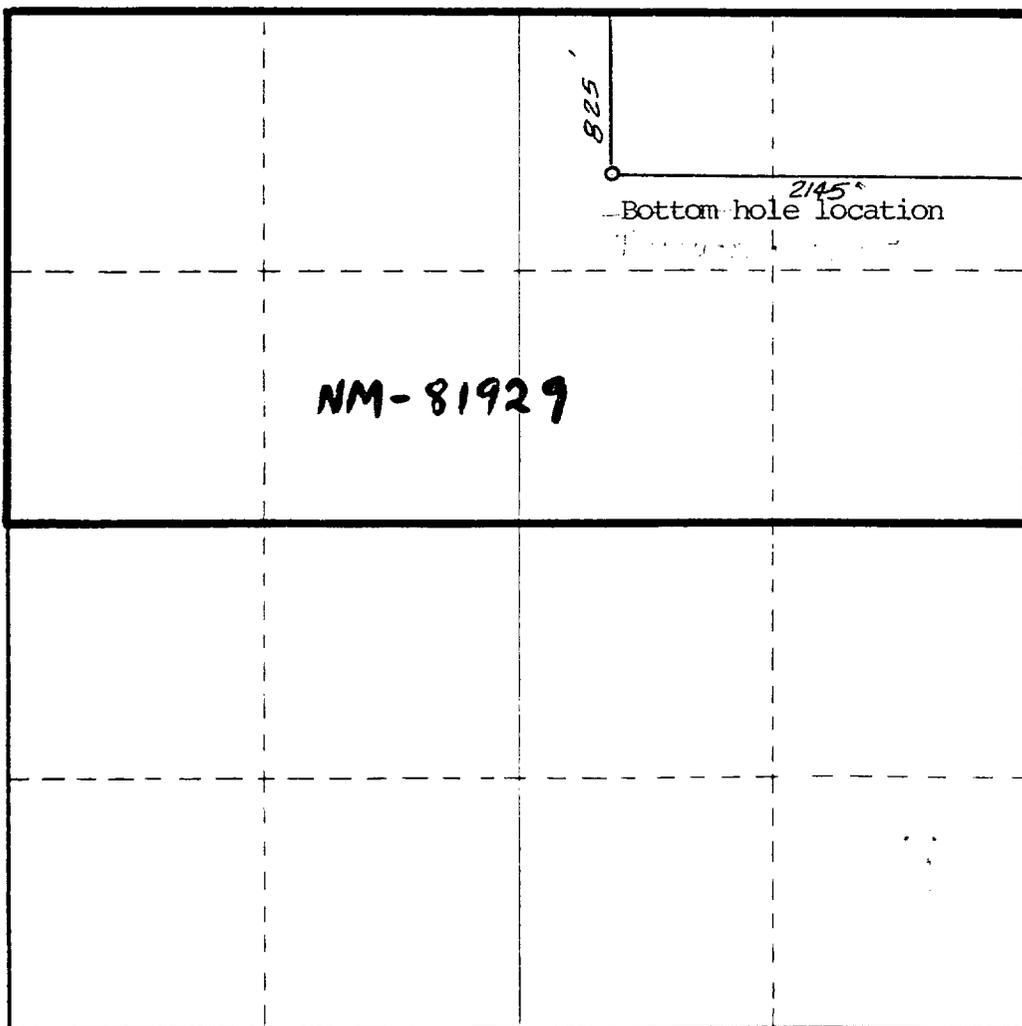
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Gazelle AHG Federal</b>		Well No. <b>2</b>
Unit Letter <b>B</b>	Section <b>22</b>	Township <b>20 South</b>	Range <b>29 East</b>	County <b>Eddy County, N.M.</b>	
Actual Footage Location of Well:					
<b>2145</b> feet from the <b>East</b> line and		<b>825</b> feet from the <b>North</b> line			
Ground Level Elev. <b>3276.</b>	Producing Formation <b>STRAWN</b>	Pool <b>WILDCAT STRAWN</b>	Dedicated Acreage: <b>320</b> Acres		

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*Clifton R. May*

Name

Clifton R. May

Position

Permit Agent

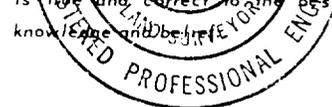
Company

Yates Petroleum Corporation

Date

6-22-90

I hereby certify that the well location shown on this plat was located 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

June 10, 1990

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*

Certificate No.

NM PE&LS NO. 5412

