

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-31375
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME ---
2. NAME OF OPERATOR Yates Petroleum Corporation			7. UNIT AGREEMENT NAME ---
3. ADDRESS OF OPERATOR 105 South Fourth Street, Artesia, New Mexico 88210 (505)748-147			8. FARM OR LEASE NAME Bonneville "AKK" Fee
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660' FSL and 200' FEL, Sec. 24-T21S-R31E, Eddy County, NM At proposed prod. zone 1980' FSL and 660' FWL, Sec. 19-T21S-R32E, Eddy County, NM			9. WELL NO. 3
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 38 miles northeast of Loving			10. FIELD AND POOL, OR WILDCAT West Lusk Delaware
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)	16. NO. OF ACRES IN LEASE 320	17. NO. OF ACRES ASSIGNED TO THIS WELL 40	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 24-T21S-R31E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 8500' TVD	20. ROTARY OR CABLE TOOLS Rotary	12. COUNTY OR PARISH Eddy
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3636' GR			13. STATE NM
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
17 1/2"	13 3/8"	54.5#	850'	Circulate - 850 sacks
12 1/2"	8 5/8"	32.0#	4350' TVD	Circulate - 2800 sacks
7 7/8"	5 1/2"	17 & 20#	TD	Circulate

Yates Petroleum Corporation proposes to directionally drill this well and test the Delaware formations. Will drill vertically to 850' and set 13 3/8" casing and circulate to surface. Continue vertically to our kick off point of 3200'. Directional drill to a TVD of 4350'. Run Intermediate casing to 4350' and circulate cement. Continue Directionally drilling to TD of 8500' TVD. If determined to be commercial, run production casing to TD and circulate cement, perforate and stimulate as needed for production.

MUD PROGRAM: Native mud to 850'; Brine to 4500' TVD; cut Brine to TD.

BOP PROGRAM: BOPE will be installed on the surface casing and tested daily for operational.

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 blow preventer program, if any.

24. SIGNED Cliff R. May TITLE Permit Agent DATE 3-25-92
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
NMOCD CASE NOS. 10460/10461
DATE: 04/02/92
EXHIBIT NO. 2

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

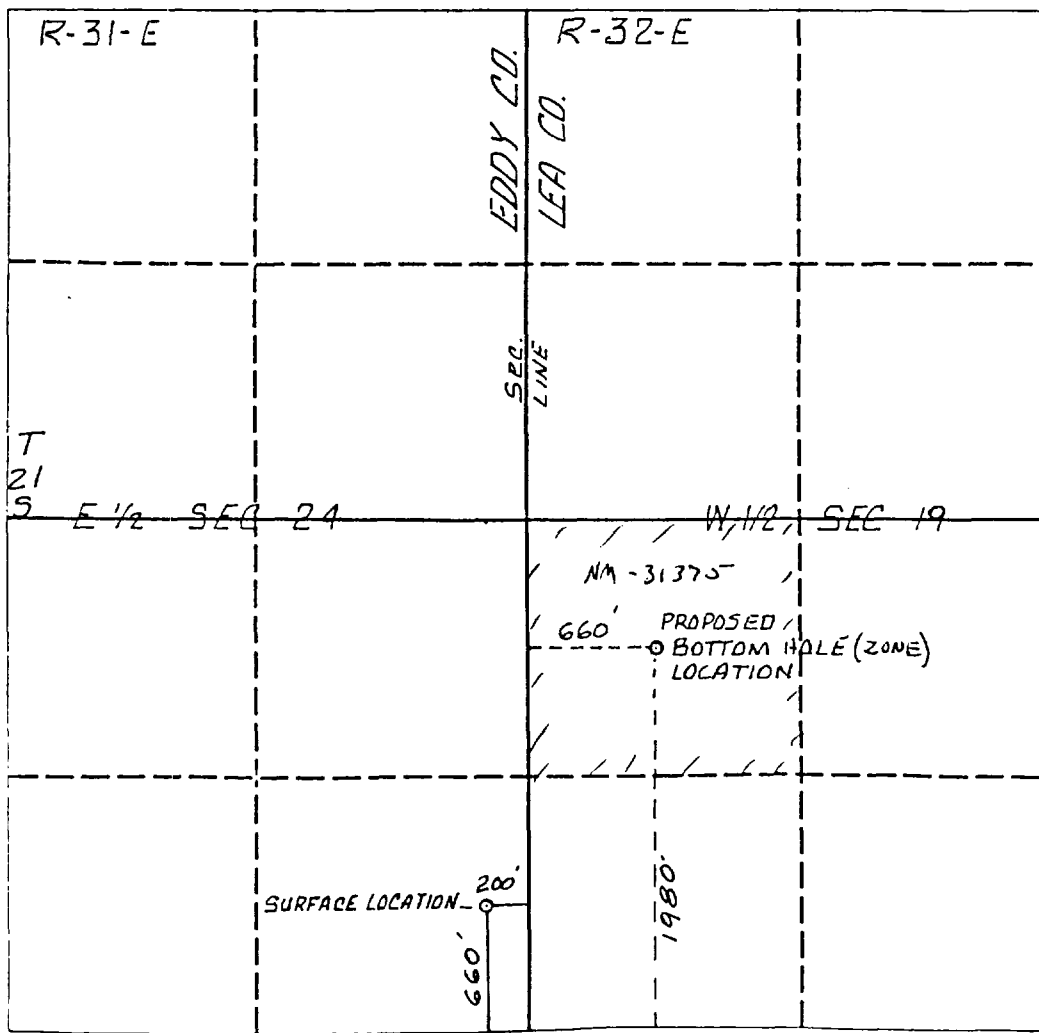
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease BONNEVILLE AKK FEDERAL		Well No. 3
Unit Letter P	Section 24	Township 21 SOUTH	Range 31 EAST	County NMPM SEE BELOW	
Actual Footage Location of Well: SURFACE LOCATION 660 feet from the SOUTH line and 200 feet from the EAST line					
Ground level Elev. 3636	Producing Formation DELAWARE		Pool WEST LUSK DELAWARE		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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Clifton R. May
Printed Name
Clifton R. May
Position
Permit Agent
Company
Yates Petroleum Corporation
Date
March 25, 1992

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 knowledge and belief.

Date Surveyed
MARCH 18, 1992
Signature
Clifton R. May
Professional Surveyor
NEW MEXICO
5:12
REGISTERED PROFESSIONAL ENGINEER
Certificate No. 5412
NM P&S