

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

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

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

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

API NO. (assigned by OCD on New Wells) 30-025-30877
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3426

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Spring AKJ State
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"/>	8. Well No. 1
2. Name of Operator Yates Petroleum Corporation	9. Pool name or Wildcat East Lusk Delaware
3. Address of Operator 105 South Fourth Street, Artesia, New Mexico 88210	

4. Well Location
 Unit Letter B : 660 Feet From The North Line and 1980 Feet From The East Line
 Section 2 Township 20 South Range 32 East NMPM Lea County

10. Proposed Depth 8000'	11. Formation Delaware	12. Rotary or C.T. Rotary
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13. Elevations (Show whether DF, RT, GR, etc.) 3510' GL	14. Kind & Status Plug. Bond Blanket	15. Drilling Contractor Undesignated	16. Approx. Date Work will start ASAP
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17. **PROPOSED CASING AND CEMENT PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.5# J-55	1100'	1150 sacks	Circulate
12 1/4"	8 5/8"	32# J-55	4430'	2500 sacks	Circulate
7 7/8"	5 1/2"	17 & 20# J-55	TD	400 sacks	As warranted

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 1100' of surface casing will be set and cement circulated to surface. Approximately 4430' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW from surface to 1100'; Brine to 4430'; cut Brine to TD.

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

NOTE: This location was originally staked and permitted as the Texaco AHL State #1 - Lease LG-8384, API No. 30-025-30887.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Clifton R. May TITLE Permit Agent DATE 1-24-92
 TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

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

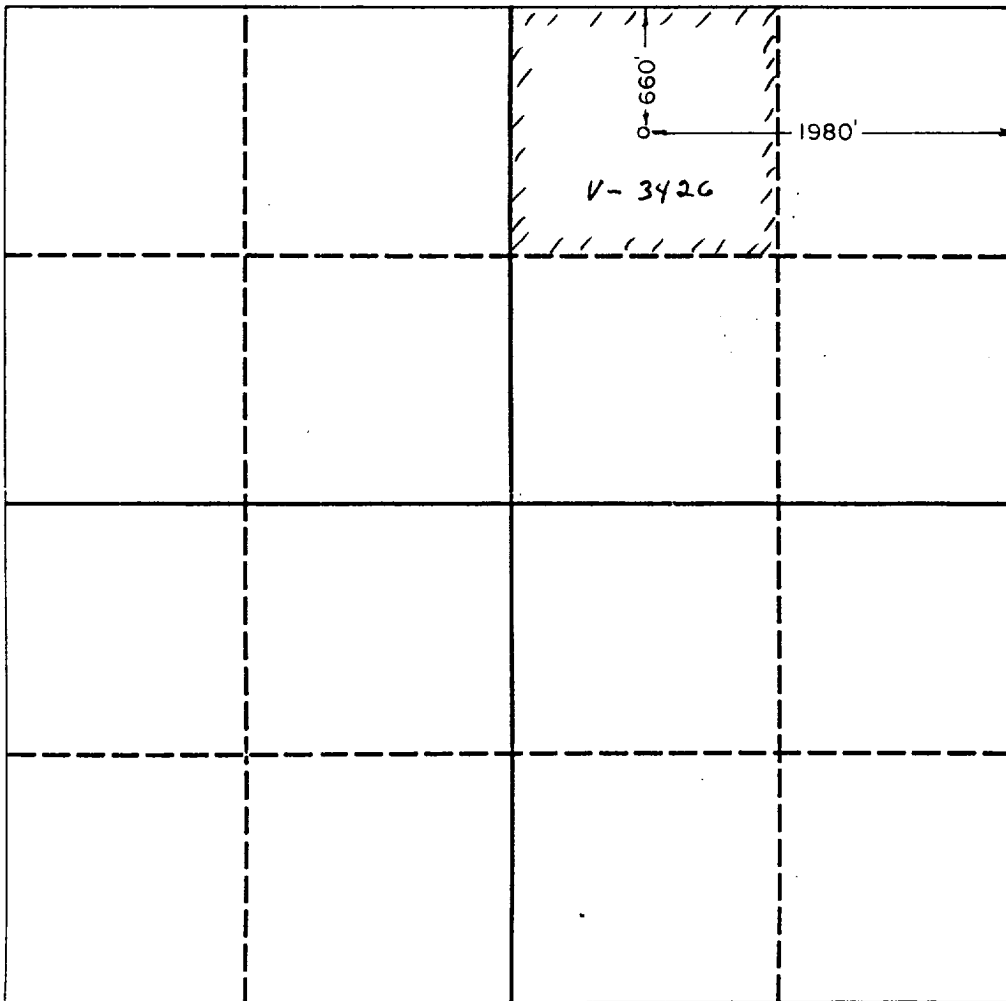
Operator YATES PETROLEUM CORPORATION			Lease SPRING "AKJ" STATE			Well No. 1
Unit Letter B	Section 2	Township 20 SOUTH	Range 32 EAST	County NMPM I.E.A.		
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the EAST line						
Ground level Elev. 3510 GR	Producing Formation DELAWARE		Pool EAST LASK DELAWARE		Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

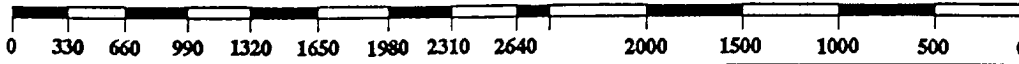
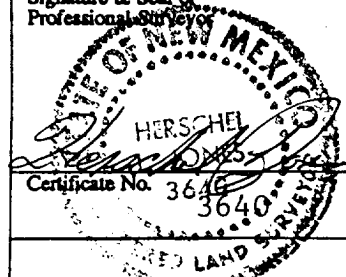
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature <i>Clifton R. May</i>
Printed Name Clifton R. May
Position Permit Agent
Company YATES PETROLEUM CORPORATION
Date January 24, 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 1/20/92
Signature & Seal of Professional Surveyor <i>Herschel</i>
Certificate No. 3640

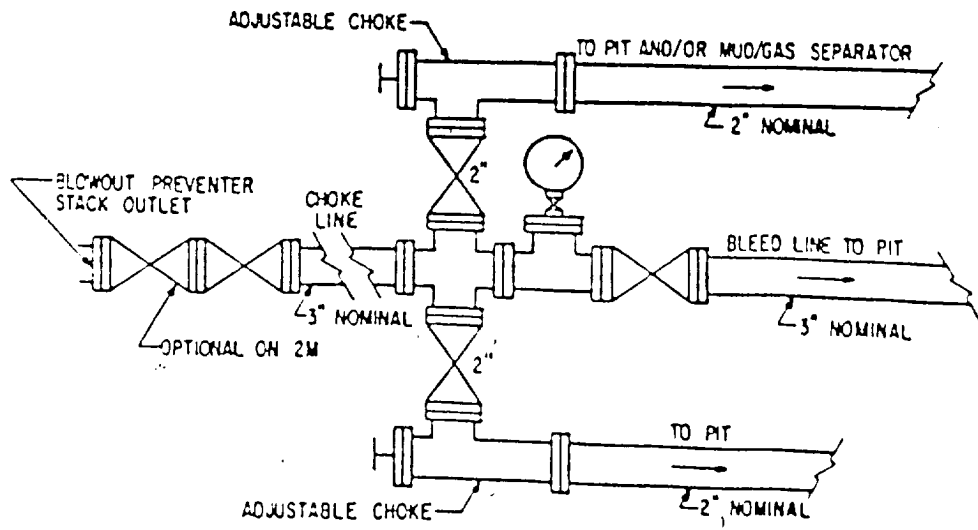
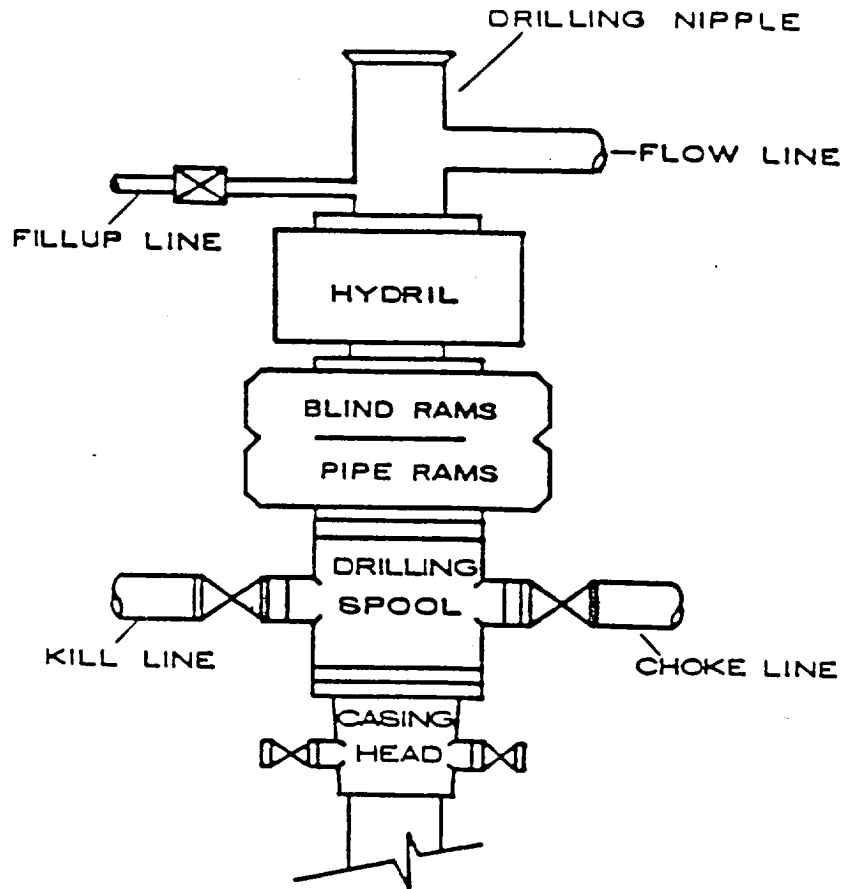


REC-10

JAN 28 1992

3110
HOBBS DEPOT

BOP STACK



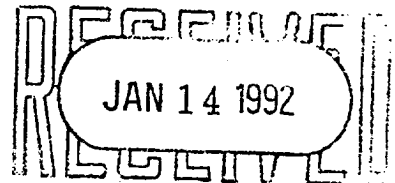
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

January 9, 1992



Mississippi Chemical Corporation
Randy Foote, General Manager
P.O. Box 101
Carlsbad, NM 88220-0101

Dear Mr. Foote:

Yates Petroleum Corporation is the operator of the Oil and Gas Lease V-3426. We have staked the following location:

Spring "AKJ" State #1
660' FNL and 1980' FEL
Section 2-T20S-R32E
Lea County, New Mexico

An Application to Drill is being filed with the Oil conservation District.

We have been advised that your company is the owner of record of certain potash leases in this area. We respectfully request that you waive any objection you may have to this proposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Your favorable consideration of this request will be greatly appreciated.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Permit Agent

CRM:tg

NO OBJECTIONS OFFERED

MISSISSIPPI CHEMICAL CORPORATION

By: _____
Title: _____
Date: _____

OBJECTIONS OFFERED

MISSISSIPPI CHEMICAL CORPORATION

By:
Title: GEN. MANAGER
Date: 1-13-92

JAN 28 1992

LIBRARY

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED

NOT FOR INTERNATIONAL MAIL

(See Reverse)



MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

January 7, 1992

Noranda Exploration
Suite 1300
4 King Street West
Toronto, Canada M5H1B61

Gentlemen:

Yates Petroleum Corporation is the operator of the Oil and
staked the following location:

Spring "AKJ" State #1
660' FNL and 1980' FEL
Section 2-T20S-R32E
Lea County, New Mexico

An Application to Drill is being filed with the Oil Conservation District.

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leases in this area. We respectfully request that you waive any objection you may have
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Your favorable consideration of this request will be greatly appreciated.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Permit Agent

CRM:tg

NO OBJECTIONS OFFERED

NORANDO EXPLORATION

By: _____
Title: _____
Date: _____

NO OBJECTIONS OFFERED

NORANDO EXPLORATION

By: _____
Title: _____
Date: _____

Sent to Norando Exploration	
Street and No. Suite 1300, 4 King Street West	
P.O., State and ZIP Code Toronto, Canada M5H1B61	
Postage	S
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	S
Postmark or Date Spring "AKJ" State #1 1-9-92	

Form 3800, June 1985

JAN 28 1992

LIBRARY