

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRI. ATE*
(Other instructions on reverse side)

30-005-62540-6
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

SEP 14 '87

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
 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 1980' FNL and 1980' FWL
 At proposed prod. zone Same
 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 34 miles north of Roswell, 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 2480
 17. NO. OF ACRES ASSIGNED TO THIS WELL 160
 18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4000'
 19. PROPOSED DEPTH 4000'
 20. ROTARY OR CABLE TOOLS Rotary
 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4094.4' GR
 22. APPROX. DATE WORK WILL START* ASAP



5. LEASE DESIGNATION AND SERIAL NO.
 NM-30738
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 North Chaves Unit
 8. FARM OR LEASE NAME
 9. WELL NO.
 1
 10. FIELD AND POOL, OR WILDCAT
 Wildcat ARJ
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 26-T5S-R23E
 12. COUNTY OR PARISH
 Chaves
 13. STATE
 NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	10-3/4"	40.5# J-55	Approx. 850'	750 sacks - circulate
7-7/8"	4-1/2"	9.5# J-55	TD	500 sacks

We propose to drill and test the Abo and intermediate formations. Approximately 850' of surface casing will be set and cement circulated to shut off gravel and cavings. If needed for lost circulation, 8-5/8" intermediate casing will be run to 1500' and cemented with enough cement calculated to tie back into the surface casing. Temperature Survey will be run to determine cement top. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 850'; brine to 3500', SW Gel and starch to TD

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

POST ID #1
9-18-87
NEW LOC & API

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 R. May TITLE Regulatory Agent DATE August 18, 1987

(This space for Federal or State office use)

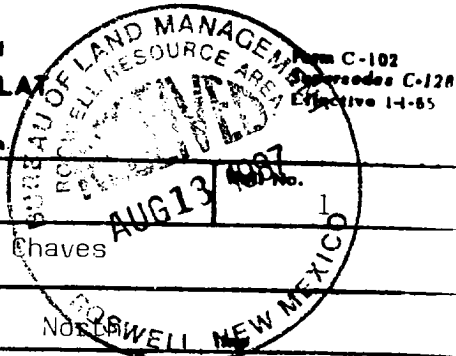
PERMIT NO. _____ APPROVAL DATE _____
 S/Phil Kirk _____ AUG 26 1987
 TITLE Area Manager _____ DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HAS A MARKETABLE TITLE TO THOSE RIGHTS IN THE PROPERTY. *See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT



All distances must be from the outer boundaries of the Section

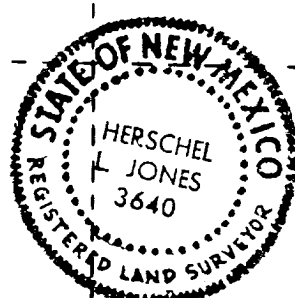
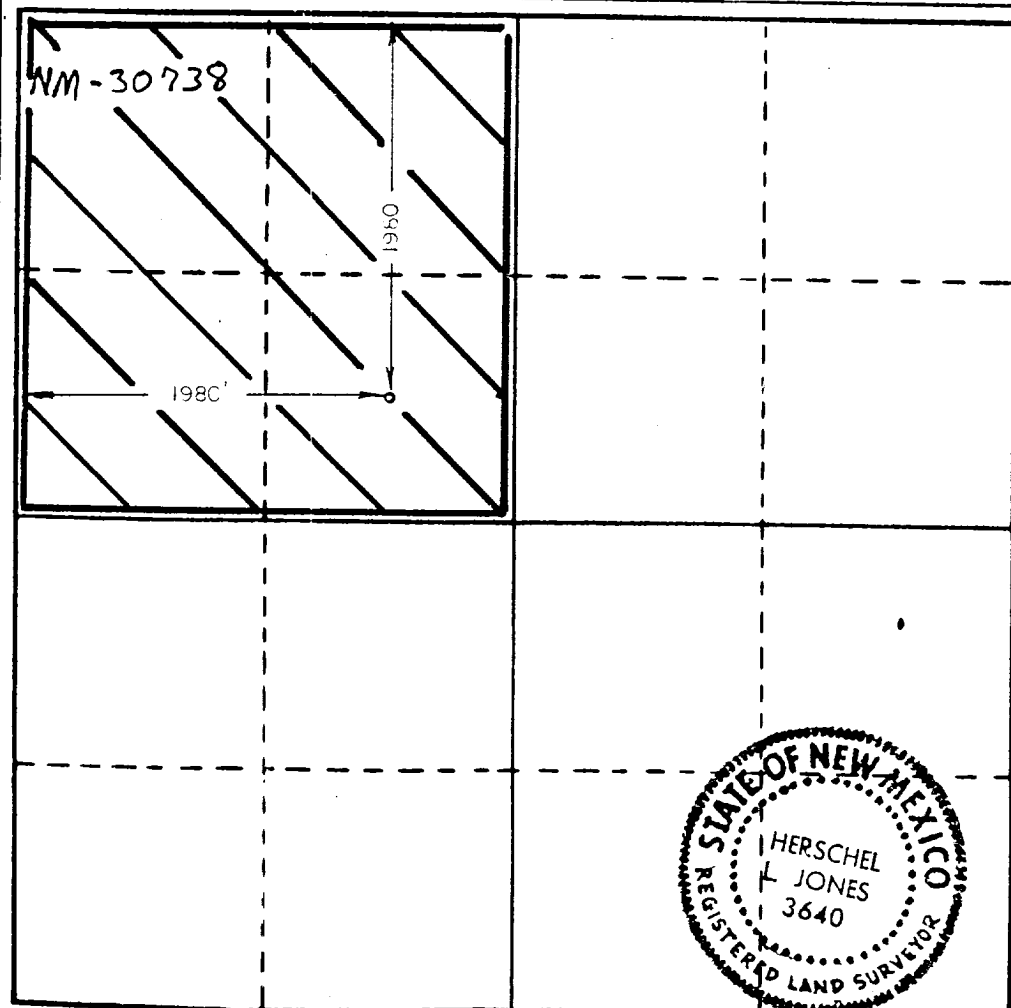
Operator YATES PETROLEUM CORP.		Lease NORTH CHAVES UNIT		
Unit Letter F	Section 26	Township 5 South	Range 23 East	County Chaves
Actual Footage Location of Well 1980 feet from the West line and 1980 feet from the North				
Ground Level Elev. 4094.4	Producing Formation Abo	Pool WILDCAT ABO	Dedicated Acreage 160 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 IS UNITIZATION

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
Regulatory Agent

Company
Yates Petroleum Corporation

Date
8/17/87

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
8/14/87

Registered Professional Engineer and/or Land Surveyor
Herschel L. Jones
Certificate No. 3640

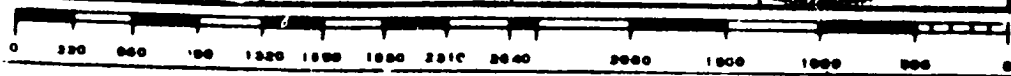
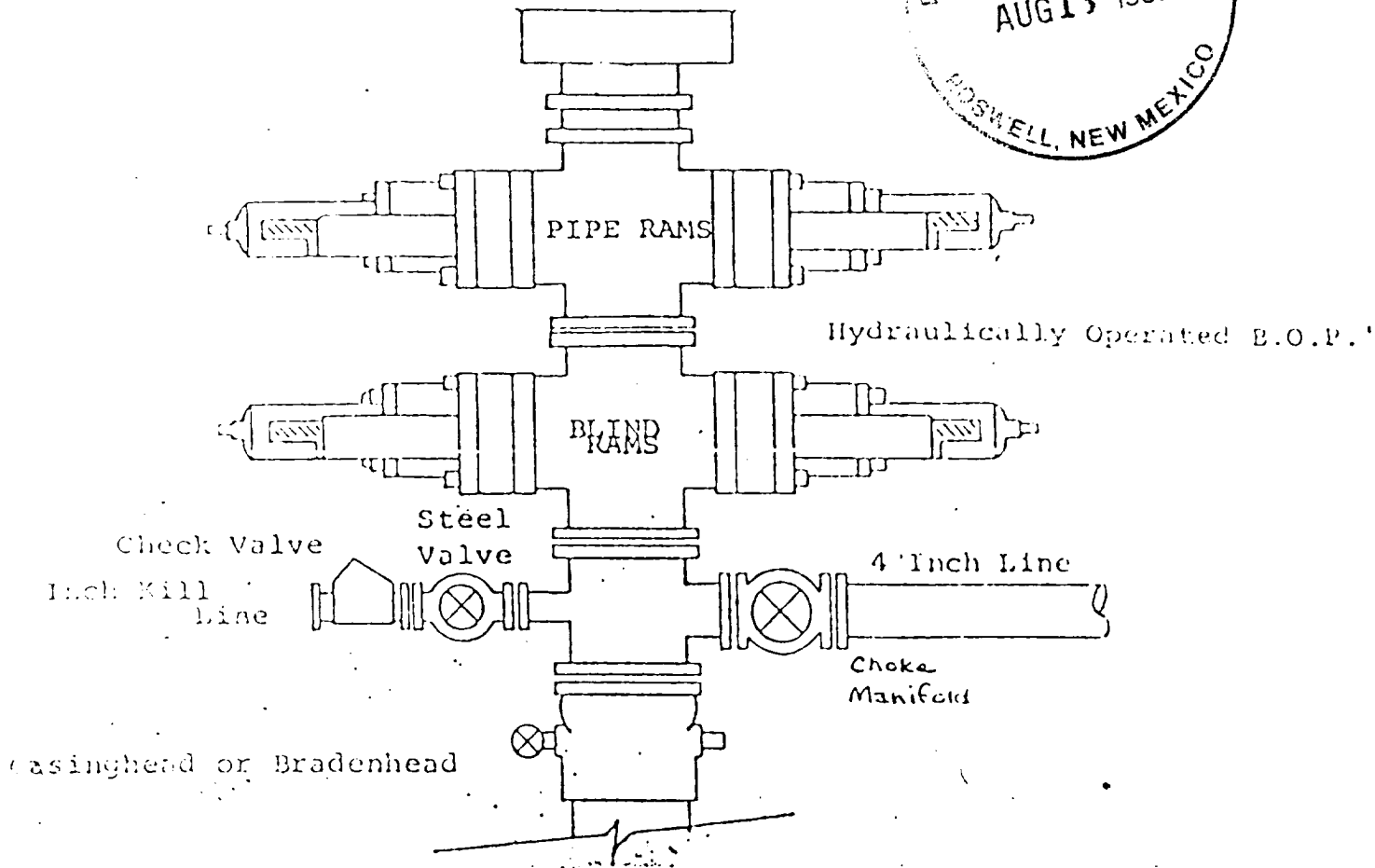


EXHIBIT B

BDP DIAGRAM

RATED 3000[#]



YATES PETROLEUM CORPORATION
North Chaves Unit #1
1980' FNL and 1980' FWL of
Section 26-T5S-R23E
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 sand and alluvium.
2. The estimated tops of geologic markers are as follows:

San Andres	354'
Glorieta	1247'
Yeso	1325'
Abo	3401'
TD	4000'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 200-300'
Oil or Gas: 3420'
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/LDC from TD to casing with GR-CNL on to surface;
Samples: 10' intervals 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.

JOB No.

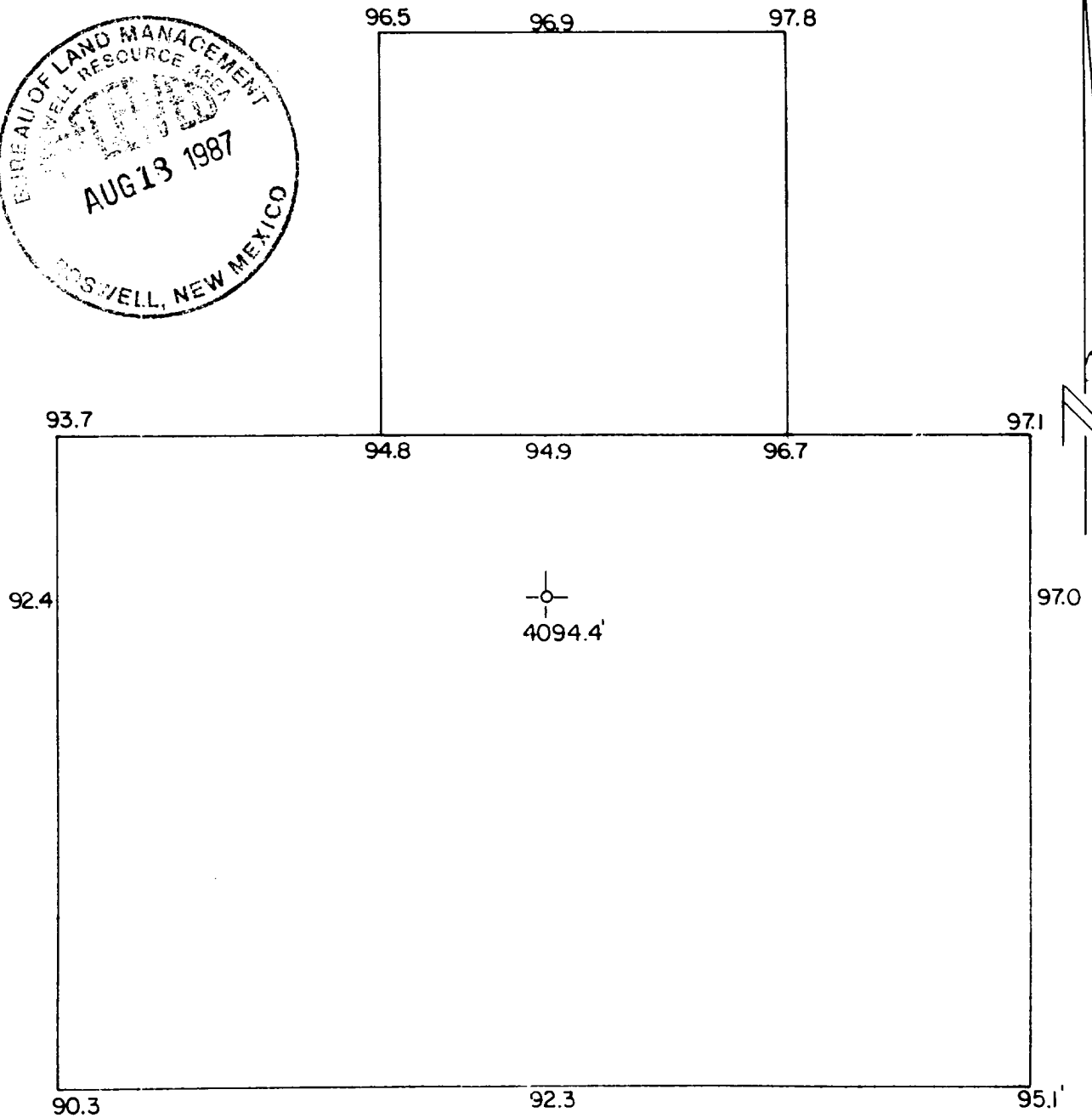


EXHIBIT D

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEETS THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

YATES PETROLEUM CORPORATION
NORTH CHAVES UNIT #1
1980'FWL AND 1950'FWL
SEC 26-T55-R23E
CHAVES COUNTY, N.M.

EXHIBIT A

