

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-83068	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" 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 ✓ 25575		7. UNIT AGREEMENT NAME -	
3. ADDRESS AND TELEPHONE NO. 105 South Fourth Street, Artesia, New Mexico 88210 RECEIVED		8. FARM OR LEASE NAME, WELL NO. Zimnia AMZ Federal 14856	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FNL and 910' FWL At proposed prod. zone 1980' FNL and 2405' FEL 41.6 MAY 06 '94		9. API WELL NO. #1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 16 miles Northeast of Carlsbad, New Mexico		10. FIELD AND POOL, OR WILDCAT Wildcat Morrow GETTY	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 77400 Sec. 27-T20S-R29E	
16. NO. OF ACRES IN LEASE 640		12. COUNTY OR PARISH 13. STATE Eddy NM	
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. 12,150 TVD		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3273' GR		22. APPROX. DATE WORK WILL START* ASAP	

PROPOSED CASING AND CEMENTING PROGRAM

Secretary's Potash

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20"	94# J-55	475	700 sacks - <u>circulated</u>
17 1/2"	13 3/8"	54.5# J-55	1425	1000 sacks - <u>circulated</u>
12 1/4"	8 5/8"	32# J-55	3200	750 sacks - <u>circulated</u>
7 7/8"	5 1/2"	17# N-80, 595	TD	600 - as warranted

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formation. Approximately 475' of surface casing will be set and cement circulated to shut off gravel and cavings. Intermediate casing will be set to 1425' and circulated and 3200' and circulated. If commercial, will perforate and stimulate as needed for production.

MUD PROGRAM: FW spud to 475'; Brine to 1425'; FW to 3200'; Cut brine to 10,300'; XC polymer/Drispac to TD.

BOP PROGRAM: BOP's and hydril will be installed on the 13 3/8" casing and tested daily.

GAS NOT DEDICATED.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 For Secretary TITLE LANDMAN DATE 3/17/94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Patricia E. Nelson TITLE State Director DATE APR 26 1994

* PENDING BUREAU APPROVAL

*See Instructions On Reverse Side