

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN RE-ENTRY 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, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface 660' FNL & 1980' FEL
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 8 miles northwest of Lovington, 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 1200

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None

19. PROPOSED DEPTH 10650'

20. ROTARY OR CABLE TOOLS Reverse Unit

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4013.6' GR

22. APPROX. DATE WORK WILL START* ASAP

5. LEASE DESIGNATION AND SERIAL NO.
 NM-62235

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Chambers ADX Federal

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 E. Morton Wolfcamp

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 33-T14S-R35E

12. COUNTY OR PARISH
 Lea

13. STATE
 NM

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"	48#	459' in place	400 sacks
12-1/4"	8-5/8"	24 & 32#	4699' in place	1500 sacks
7-7/8"	5-1/2"	17# N-80	TD	As necessary

This well was originally drilled by Samedan Oil Corporation in August, 1977, as their Chambers Federal #1. It was drilled to a total depth of 10650'. The well was plugged and abandoned in September, 1977. Yates Petroleum Corporation proposes to drill out plugs at surface, 1730', 4630', 6100', 8200' and 9750' and clean out to the original TD of 10650'. If commercial, will run 5-1/2" casing to TD and cement with adequate cover, perforate and stimulate as needed for production. Will test the Permo Penn and intermediate formations.

MUD PROGRAM: This is a re-entry and will use brine and gel to TD.

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

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 Regulatory Agent DATE Aug. 22, 1986
 (This space for Federal or State office use)

PERMIT NO. 88240-105105-1 APPROVAL DATE _____
 APPROVED BY _____ TITLE _____ DATE 8/28/86
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

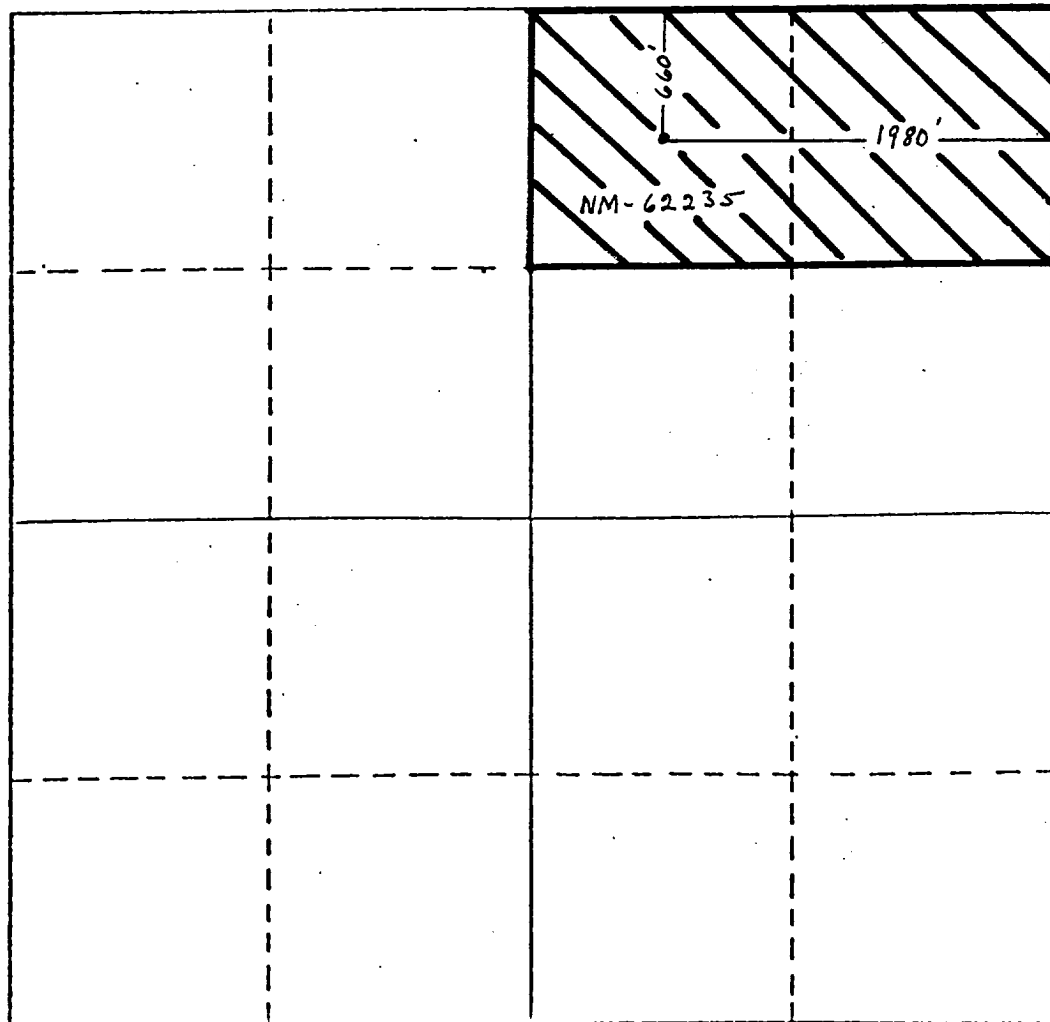
Operator YATES PETROLEUM CORPORATION			Lease CHAMBERS ADX FEDERAL		Well No. 1
Unit Letter B	Section 33	Township 14S	Range 35E	County LEA	
Actual Postage Location of Well: 660 feet from the North line and 1980 feet from the East line					
Ground Level Elev. 4013.6'	Producing Formation PERMO PENN	Pool E. Morton Wolfcamp		Dedicated Acreage: 80 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 Division.



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

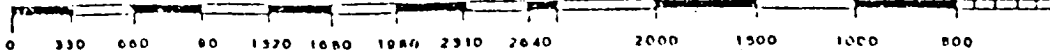
Aug. 22, 1986

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.

REFER TO ORIGINAL PLAT
Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PL.

All distances must be from the outer boundaries of the Section

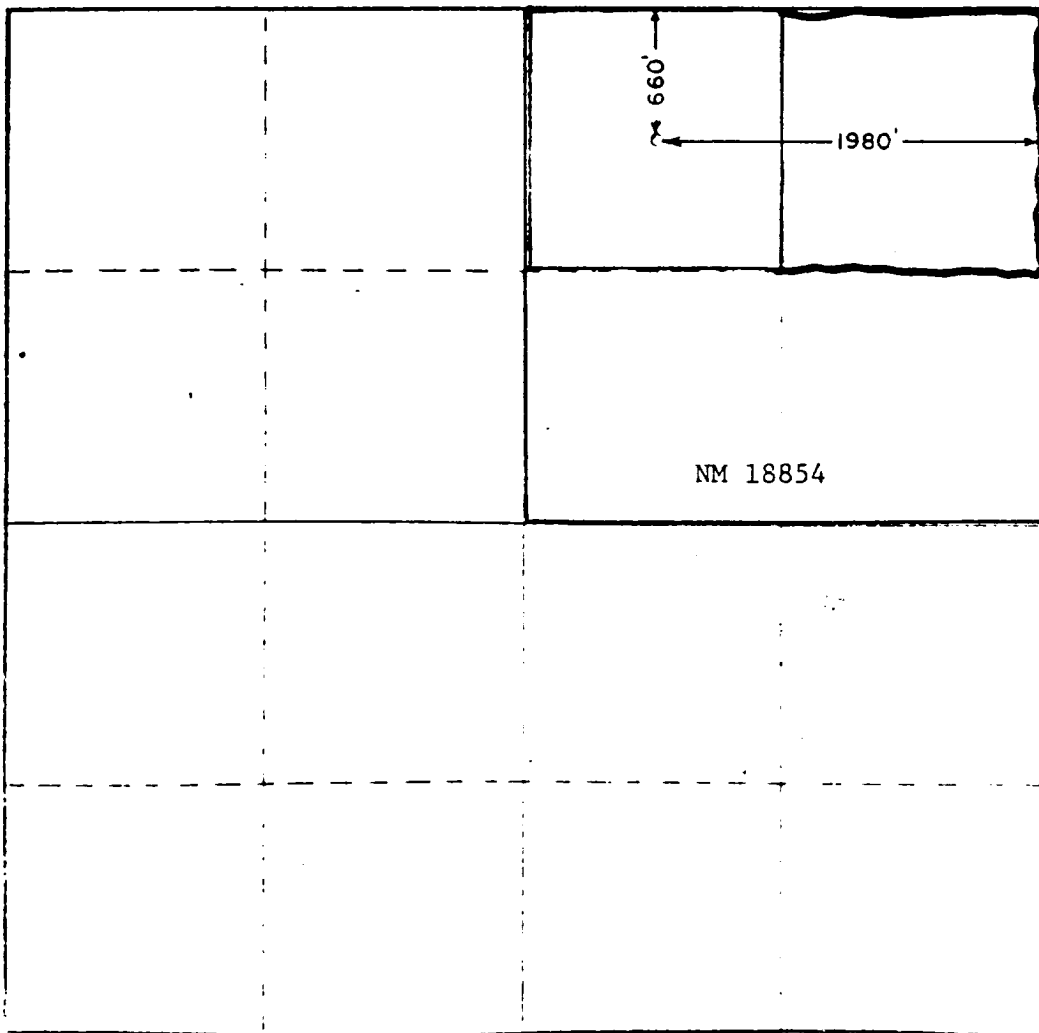
Operator Samedan Oil Corp.		Lessee Chamber Fed.		Acct. No. 1
Section B	Section 33	Township 14 South	Range 35 East	County Lea
Actual Distance from Section Well: 660 feet from the North line and 1980 feet from the East line				
Ground Level Elev. 4013.6	Producing Formation Wolfcamp Reef	Form WILDERDESIGNATED		Section Well No. 1080

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 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.

Ron L. Mercer

Ron L. Mercer

Production Superintendent

Samedan Oil Corporation

June 21, 1977

I hereby certify that the well location shown on this plat was located in accordance with the survey made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

June 16, 1977

Small West

675

EXHIBIT B

BOP DIAGRAM

RATED 3000[#]

