

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)
30-025-31210

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 V-3306

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER 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. Well Location
 Unit Letter M : 330 Feet From The South Line and 990 Feet From The West Line
 Section 4 Township 14 South Range 34 East NMPM Lea County

7. Lease Name or Unit Agreement Name
 Cerca "AIX" State

8. Well No. 1

9. Pool name or Wildcat
 Wildcat

10. Proposed Depth 15,000'

11. Formation Silurian Devonian

12. Rotary or C.T. Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
4140' GR

14. Kind & Status Plug. Bond
Blanket

15. Drilling Contractor
Undesignated

16. Approx. Date Work will start
ASAP

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"	54.50#	350'	800	Circulate
11"	8 5/8"	32#	4450'	2800	Circulate
7 7/8"	5 1/2"	17 & 20#	TD		As required

We propose to drill and test the Devonian and intermediate zones. Approximately 350' of surface casing will be set and cement circulated. An intermediate string will be set at approximately 4450' and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud mud to 350'; Brine and Oil to 4450'; Fresh Water to 9500'; Salt Gel and Starch to TD.

BOPE PROGRAM: BOPE's will be installed on the intermediate 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. 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 4-3-91
 TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use)
 ORIGINAL SIGNED BY JERRY SEXTON
 APPROVED BY _____ TITLE _____ DATE _____

APR 08 1991

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval Date Unless Drilling Underway.