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MAR 09 '88

O. C. D.

5A. Indicate Type of Lease
STATE FEDERAL

5. State Oil & Gas Lease No.
LG-9805

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK **ARTESIA, OFFICE**

1a. Type of Work
DRILL DEEPEN 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
UNIT LETTER K LOCATED 1980 FEET FROM THE South LINE
AND 1980 FEET FROM THE West LINE OF SEC. 25 TWP. 9S RGE. 26E NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Enron AEY State

9. Well No.
1

10. Field and Pool, or Wildcat
Wildcat **ORDOVICIAN**

12. County
Chaves

19. Proposed Depth
6500'

19A. Formation
Ordovician

20. Rotary or C.T.
Rotary

21. Elevations (show whether DF, KT, etc.)
3810.6' GR

21A. Kind & Status Plug. Bond
Blanket

21B. Drilling Contractor
Undesignated

22. Approx. Date Work will start
ASAP

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24# J-55	Approx. 1150'	600 sacks	Circulate
7-7/8"	5-1/2"	15.5# J-55	TD	300 sacks	

We propose to drill and test the Ordovician and intermediate formations. Approximately 1150' of surface casing will be set at cement circulated. 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 1150', cut brine to 4450', SW gel/starch to TD

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

GAS NOT DEDICATED

POST ID#1
NL & API
3-11-88

180 LBS
9/10/88
MAY

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.

Signed Clifton R. May Title Regulatory Agent Date March 7, 1988

(This space for State Use)
Original Signed By
Mike Williams

MAR 10 1988

APPROVED BY _____ TITLE _____ DATE _____
Oil & Gas Inspector

CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-4-65

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

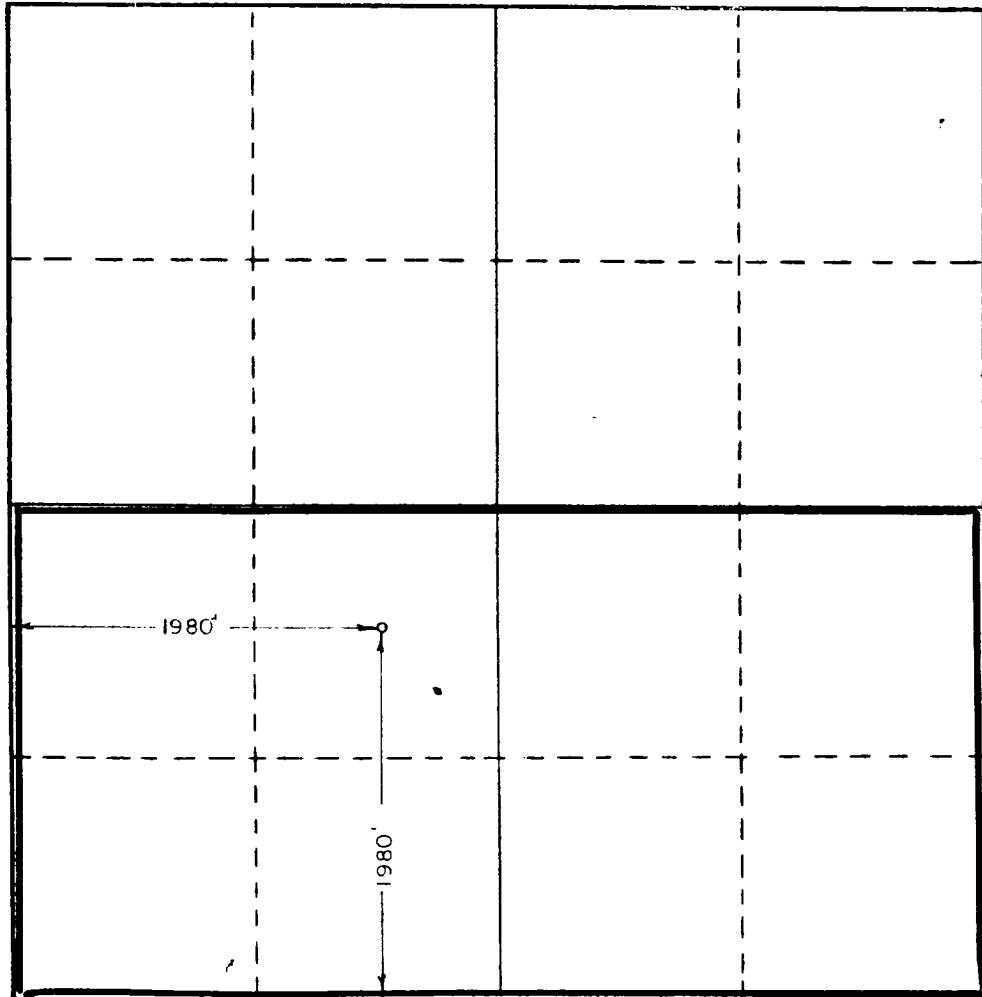
Operator Yates Petroleum Corporation			Lease ENRON "AEY" STATE			Well No. 1		
Unit Letter K	Section 25	Township 9 South	Range 26 East	County Chaves				
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the West line								
Ground Level Elev. 3810.6	Producing Formation ORADOVICIAN			Pool WILDCAT ORADOVICIAN	Dedicated Acreage: 320 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 Commission.



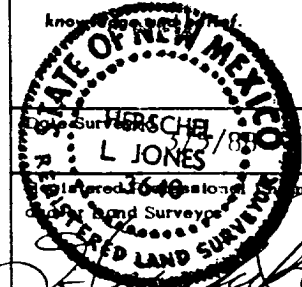
CERTIFICATION

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	March 7, 1988

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.



Certificate No. **3640**