

N. M. Oil Cons. Division
817 S. 1ST ST. ARTESIA, NM 88210-4834

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RECEIVED
APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN JUL - 5 1996

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER OIL CON. DIV.

2. NAME OF OPERATOR
 YATES PETROLEUM CORPORATION 25575 DIST. 2

3. ADDRESS AND TELEPHONE NO.
 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 330' FSL and 2200' FEL, Unit Letter 0
 At proposed prod. zone
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 42 miles Northeast of Roswell, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 16. NO. OF ACRES IN LEASE 160

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.
 19. PROPOSED DEPTH 4400'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3769' GR

22. APPROX. DATE WORK WILL START*
 July 1996

5. LEASE DESIGNATION AND SERIAL NO.
 NM-9982

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Teckla MD Fed. #9 12824

9. AP WELL NO.
 30-005-63101

10. FIELD AND POOL, OR WILDCAT
 Pecos Slope Abo 82730

11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA
 Sec. 13-T6S-R25E

12. COUNTY OR PARISH 13. STATE
 Chaves NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48# J-55	700'	700 SX
* 12 1/4"	8.625"	24# J-55	1600'	300 SX
7 7/8"	4.5"	10.5# J-55	TD	350 SX

Post ID-1
7-12-96
New Loc + API

Yates Petroleum Corporation proposes to drill and test the Abo and intermediate formations. Approximately 700' of surface casing will be set and cement circulated to the surface. (*If lost circulation is encountered, 8 5/8" casing will be set to approximately 1600'. Hole size will be reduced to 6.125".) If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud to 700' with FW Gel/LCM; 700' to 3600' with cut brine; 3600' to TD with SW Gel/Starch/Oil.

BOPE PROGRAM: BOPE will be installed on the 13 3/8" casing and tested daily for operational.

GAS NOT DEDICATED.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

NSL-

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 Cliff R. May TITLE Regulatory Agent DATE 5-31-96
(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 T.R. Keegan TITLE Area Manager DATE 6/21/96

*See Instructions On Reverse Side

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63101		Pool Code 82730		Pool Name Pecos Slope Abo	
Property Code	Property Name TECKLA "MD" FEDERAL				Well Number 9
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION				Elevation 3769

10 Surface Location

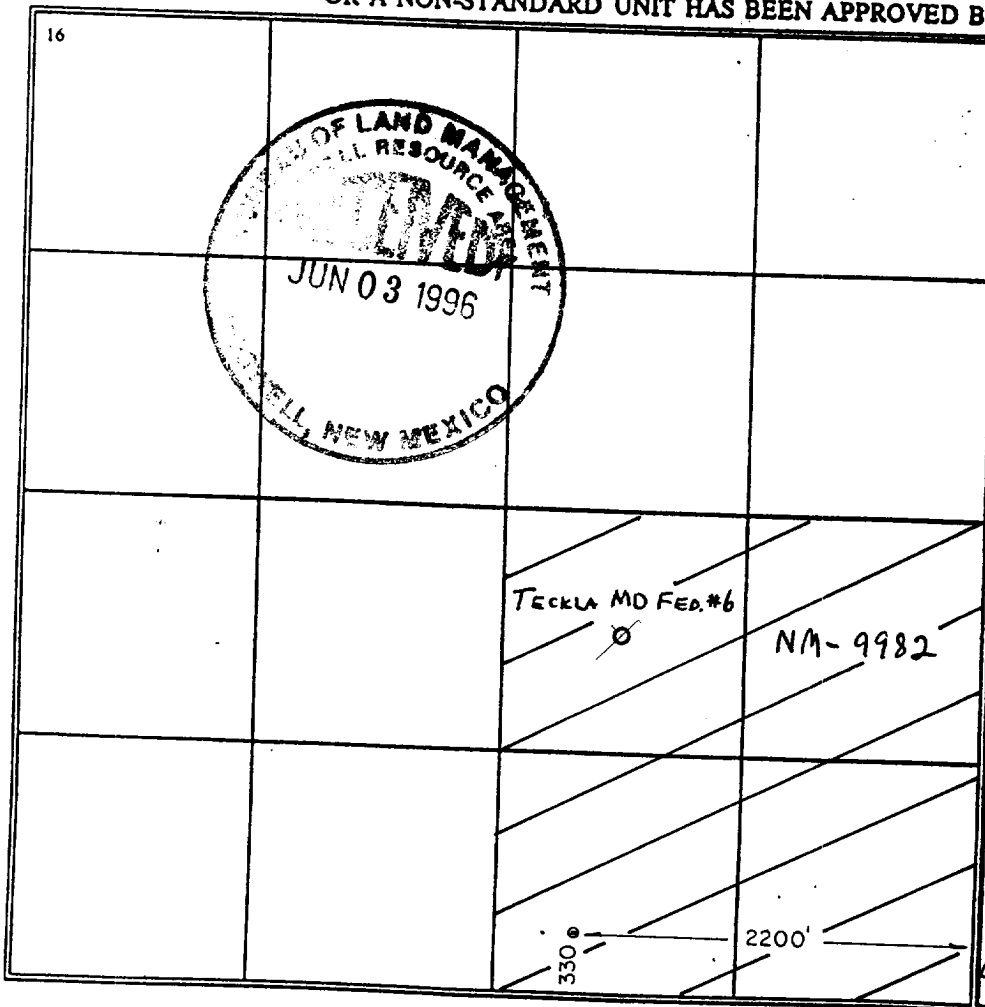
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	6S	25E		330	SOUTH	2200	EAST	CHAVES

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Clifton R. May
 Signature
 Clifton R. May
 Printed Name
 Regulatory Agent
 Title
 5-31-96
 Date

18 SURVEYOR CERTIFICATION

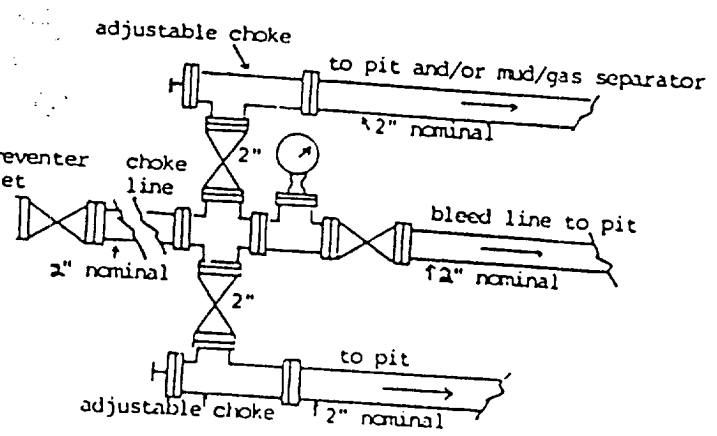
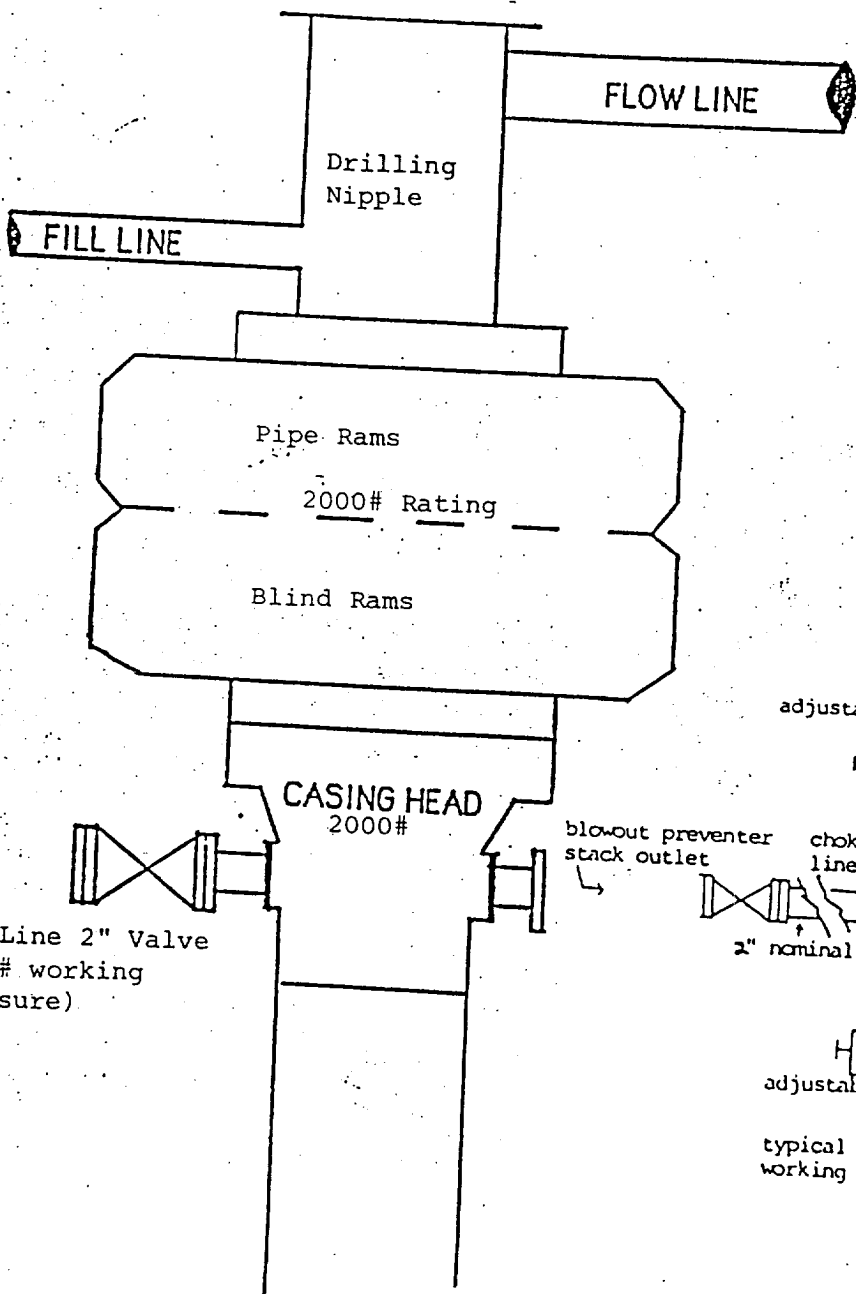
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

4/30/96
 Date of Survey
W. SCHELL JONES
 Signature
 Registered Professional Surveyor

 Certificate No. 3640

YATES PETROLEUM CORPORATION

Teckla MD Fed. #9
330' FSL and 2200' FEL
Sec. 13-T6S-R25E
Chaves County, New Mexico
Exhibit B



**BLOWOUT PREVENTER
2M SYSTEM**