

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-0219603	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Yates Petroleum Corporation ✓		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 207 S. 4th, Artesia, New Mexico 88210		8. FARM OR LEASE NAME Federal "BZ"	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 330' FNL and 330' FEL At proposed prod. zone same		9. WELL NO. 23	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 6 miles west of Artesia, New Mexico.		10. FIELD AND POOL, OR WILDCAT Eagle Creek/SA	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 28-T17S-R25E	
16. NO. OF ACRES IN LEASE		12. COUNTY OR PARISH	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3550' GL		22. APPROX. DATE WORK WILL START* ASAP	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 1/2"	10 3/4"	30#	appr. 320'	200 sx circulated
9 1/2"	7"	23#	appr. 1150'	400 sx circulated
6 1/4"	4 1/2"	9.5#	TD	125 sx circulated

Proposed to drill a San Andres test. Approximately 320' of surface casing will be run to shut off gravel and caving. 7" intermedaite casing will be run and set 100' below the Artesian Zone. If commercial production is encountered, a string will be run, perforated and stimulated for production.

MUD PROGRAM: FW gel and LCM to 1150' (or dry drill), water to TD.

BOP PROGRAM: BOP's will be installed on 7" casing 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 Ken Beardsley TITLE Regulatory Coordinator DATE 12/16/82

(This space for Federal or State office use)

PERMIT NO. APPROVED
(ORIG. SGD.) DAVID R. GLASS

APPROVED BY DEC 21 1982
CONDITIONS OF APPROVAL

JAMES A. GILLHAM
DISTRICT SUPERVISOR

RECEIVED

DEC 16 1982

OIL & GAS
MINERALS MGMT. SERVICE
ROSWEEL, NEW MEXICO

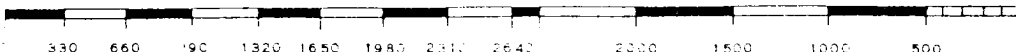
Form C-102
Supersedes C-128
Effective 1-1-69

Operator YATES PETROLEUM CORPORATION		License Federal BZ		Well No. 23	
Grid Letter A	Section 28	Township 17 South	Range 25 East	County Eddy	
Section 330 Section 330 East from the East from the East from the North 330 East 330					
Acres Surveyed Below 3550.	Production Below this Date San Andres		Production Below this Date Eagle Creek SA		Production Below this Date 40

- 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.

YPC
NM-
0219603

Certificate No.
NM PE&LS #5412



YATES PETROLEUM CORPORATION

Federal "BZ" #23330' FNL and 330' FELSec. 28-T17S-R25E

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements.

1. The geologic surface formation is quaternary alluvium.

2. The estimated tops of geologic markers are as follows:

TD appr. 1500'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: approximately 150'-350' and 700'-950'

Oil or Gas: San Andres 1300'-1450'

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C and Exhibit B.

6. Mud Program: See Form 9-331C.

7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment;
sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

Samples: 10' samples from under surface

DST's: none

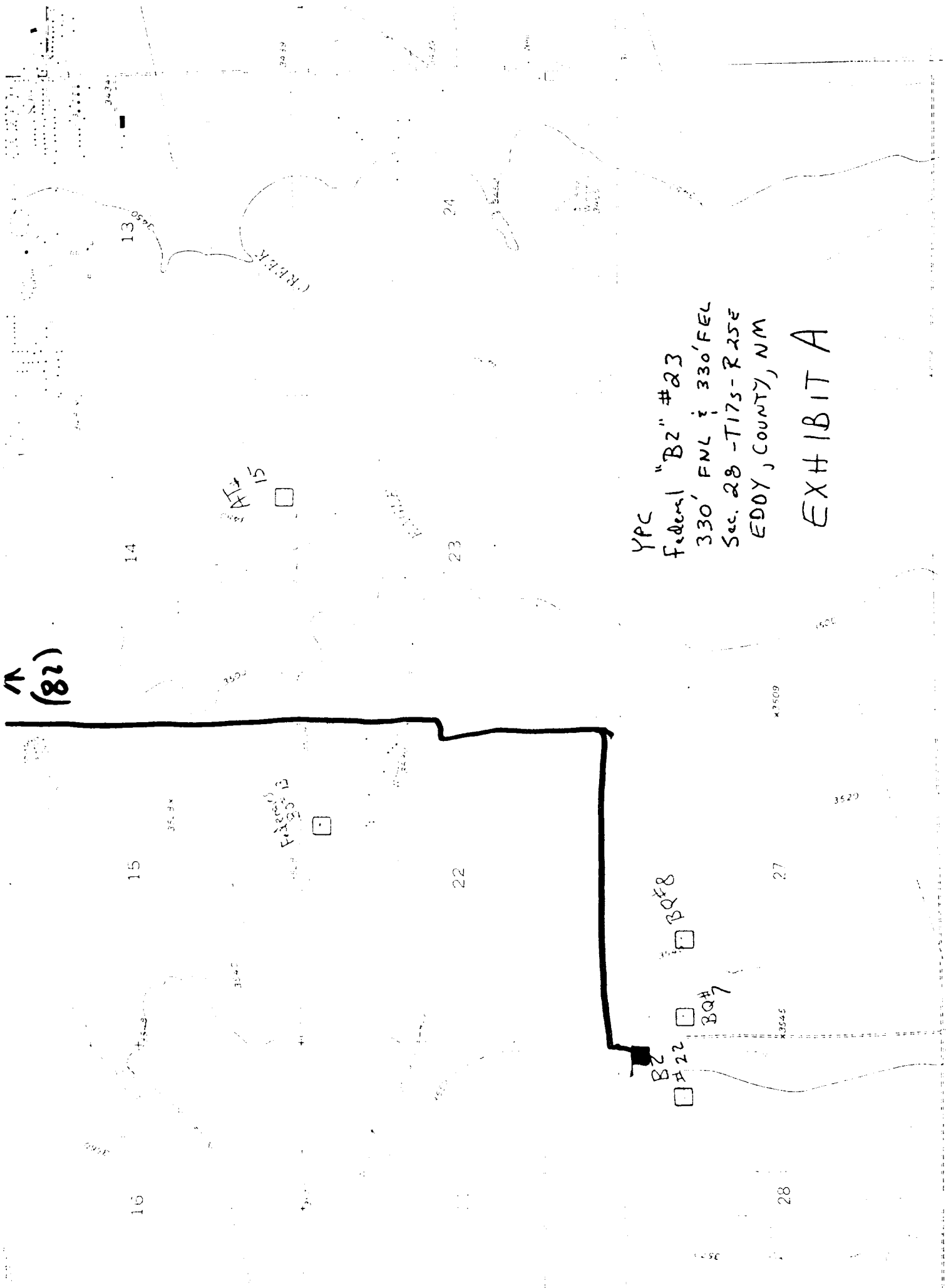
Coring: none

Logging: GR-Nuetron

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

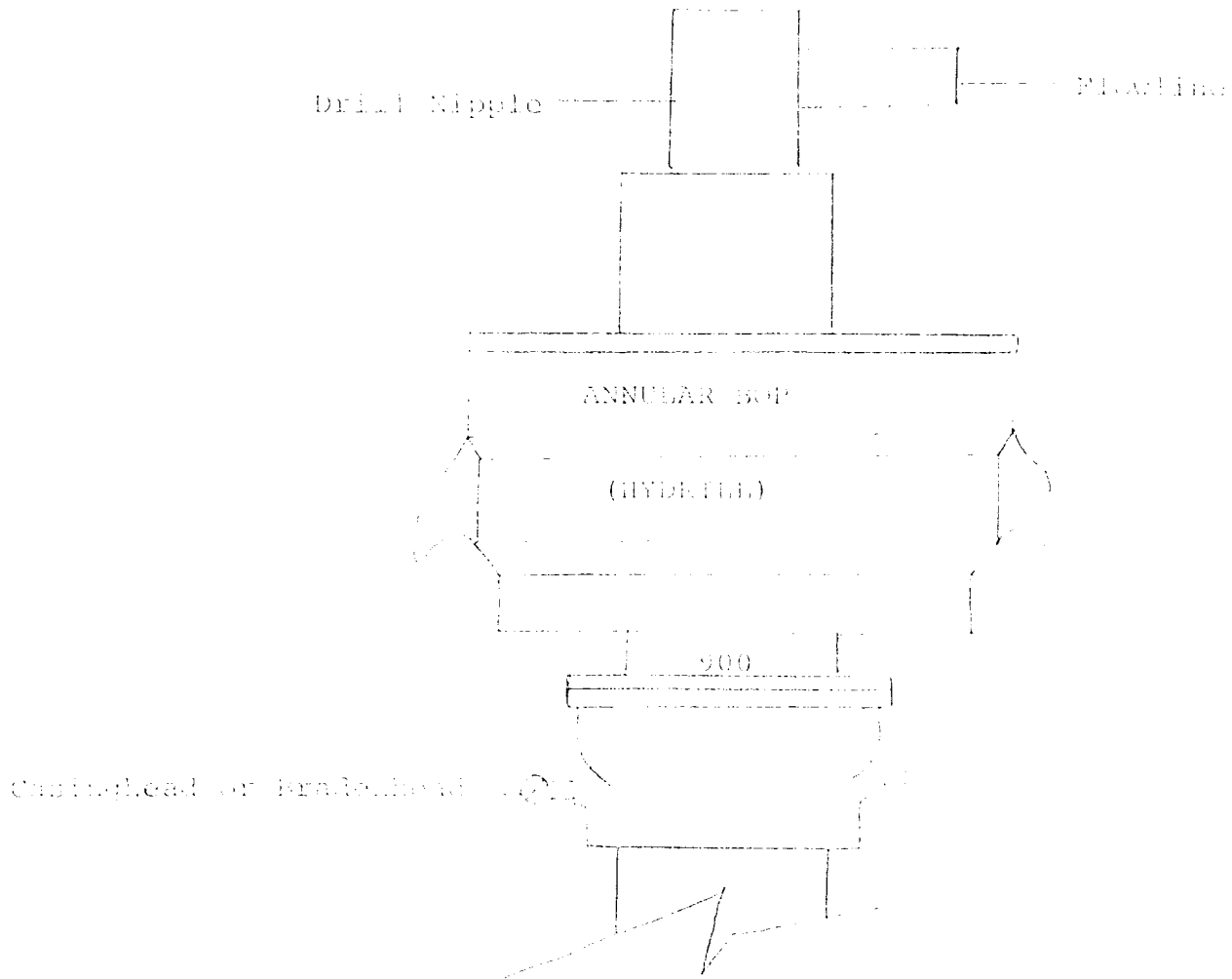
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(82)



YPC
Federal "B2" #23
330' FNL ± 330' FEL
Sec. 28 - T17S - R25E
EDDY, COUNTY, NM

EXHIBIT A

Exhibit B



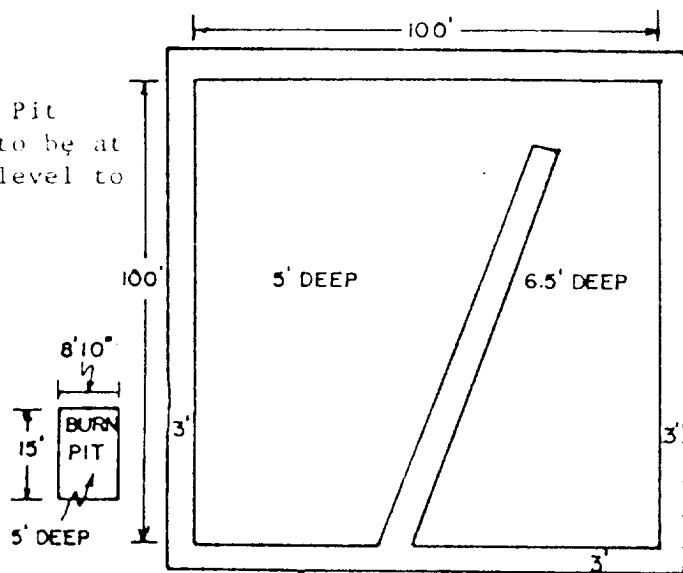
THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. All connections from operating manifolds to preventers to be all steel. Hole or tube a minimum of one inch in diameter.
3. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the BOP's.
4. All connections to and from preventer to have a pressure rating equivalent to that of the BOP's.
5. Hole must be kept filled on trips below intermediate casing.

YATES PETROLEUM CORP.

Exhibit C

Reserve Pit
bottom to be at
ground level to
1 ft.



NOTE:

Inside walls must be as
high and wide as outer
walls of pit.

