

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

5. LEASE DESIGNATION AND SERIAL NO.
NM-0630

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal LDY

9. WELL NO.
6

10. FIELD AND POOL, OR WILDCAT
Eagle Creek (SA)

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec. 27-T17S-R25E

12. COUNTY OR PARISH | 13. STATE
Eddy | NM

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
207 S. 4th, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 1650' FNL and 2310' FWL
At proposed prod. zone: same

RECEIVED
JAN 25 1983
O. C. D.
ARTESIA OFFICE
w.t.f.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 3 miles SW of Artesia, New Mexico.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
990'

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
1500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3532' GL

22. APPROX. DATE WORK WILL START*
ASAP

23. 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. 340'	200 sx circulated
9 1/2"	7"	23#	appr. 1190'	400 sx circulated
6 1/4"	4 1/2"	9.5#	TD	125 sx

Proposed to drill a San Andres test with approximately 340' of surface casing to shut off gravel and caving. 7" intermediate casing will be run and set 100' below the Artesian Zone and if commercial production is encountered, a string will be run, perforated and stimulated for production.

MUD PROGRAM: FW gel/LCM to 1190' (or dry drill), water to TD.
BOP PROGRAM: BOP's will be installed on 7" casing and tested daily.

RECEIVED
JAN 4 1983

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 true vertical depths. Give blowout preventer program, if any.

U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

24. SIGNED Cy Cowan TITLE Regulatory Coordinator DATE 1/4/83

(This space for Federal or State office use)

PERMIT NO. APPROVED APPROVAL DATE

APPROVED BY (ORIG. SGD.) DAVID R. GLASS, TITLE DATE

CONDITIONS OF APPROVAL: JAN 21 1983

JAMES A. GILLHAM
DISTRICT SUPERVISOR

Posted 1/12/83
1-28-83

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

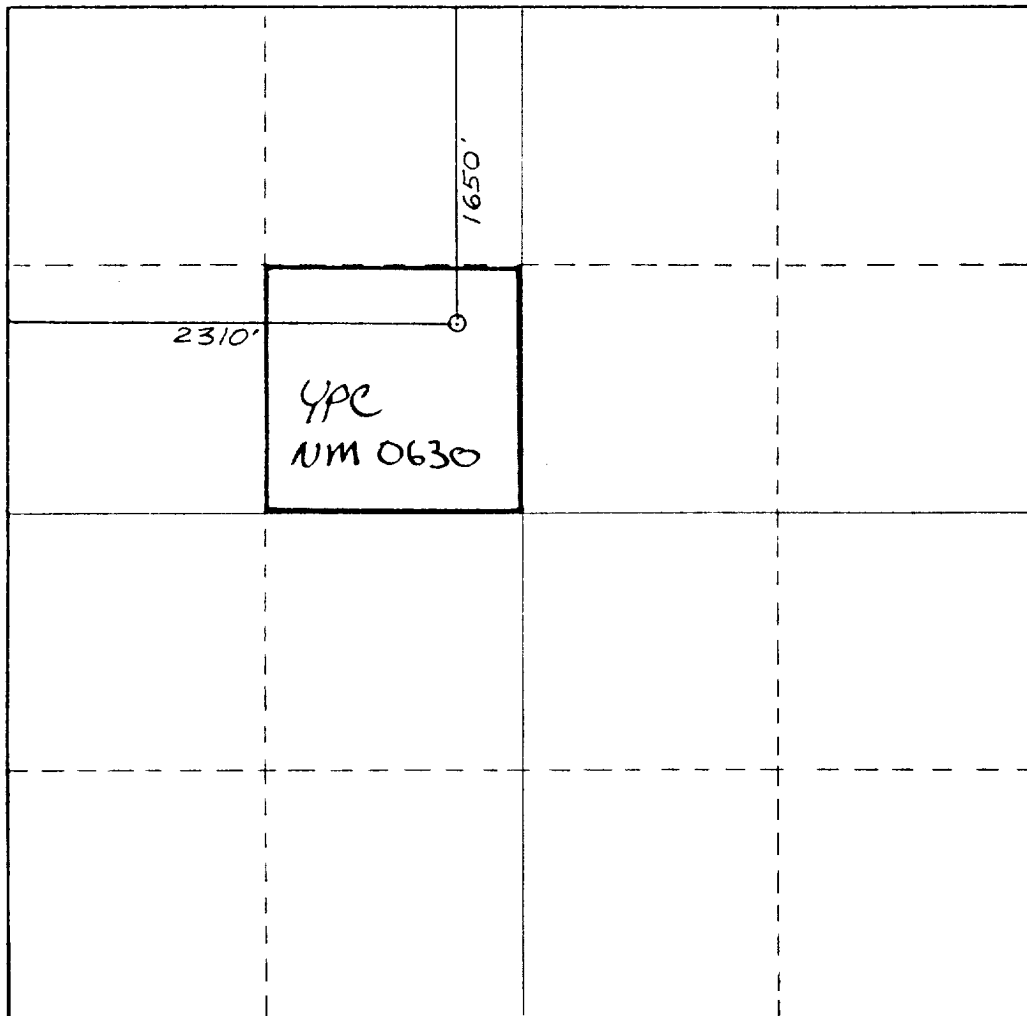
Operator YATES PETROLEUM CORPORATION			Lease Federal LDY		Well No. 6
Tract Letter F	Section 27	Township 17 South	Range 25 East	County Eddy	
Actual Footage Location of Well: 1650 feet from the North line and 2310 feet from the West line					
Ground Level Elev. 3532	Producing Formation SAN ANDRES		Pool EAGLE Creek (SA)		Dedicated Acreage: 40 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.

Cy Cowan

Name

Cy Cowan

Position

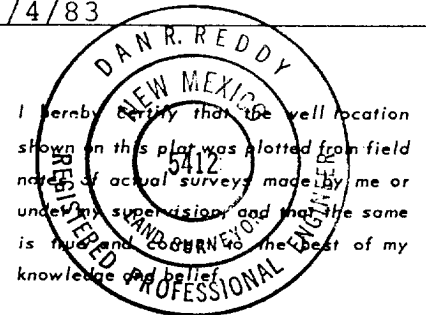
Regulatory Coordinator

Company

Yates Petroleum Corp.

Date

1/4/83



Date Surveyed

Dec. 20, 1982

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.

NMPE&LS #5412

330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Federal LDY #6
 1650' FNL and 2310' FWL
 Sec. 27-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 1500'
(San Andres 780)

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

Water: approximately 150-250' 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.

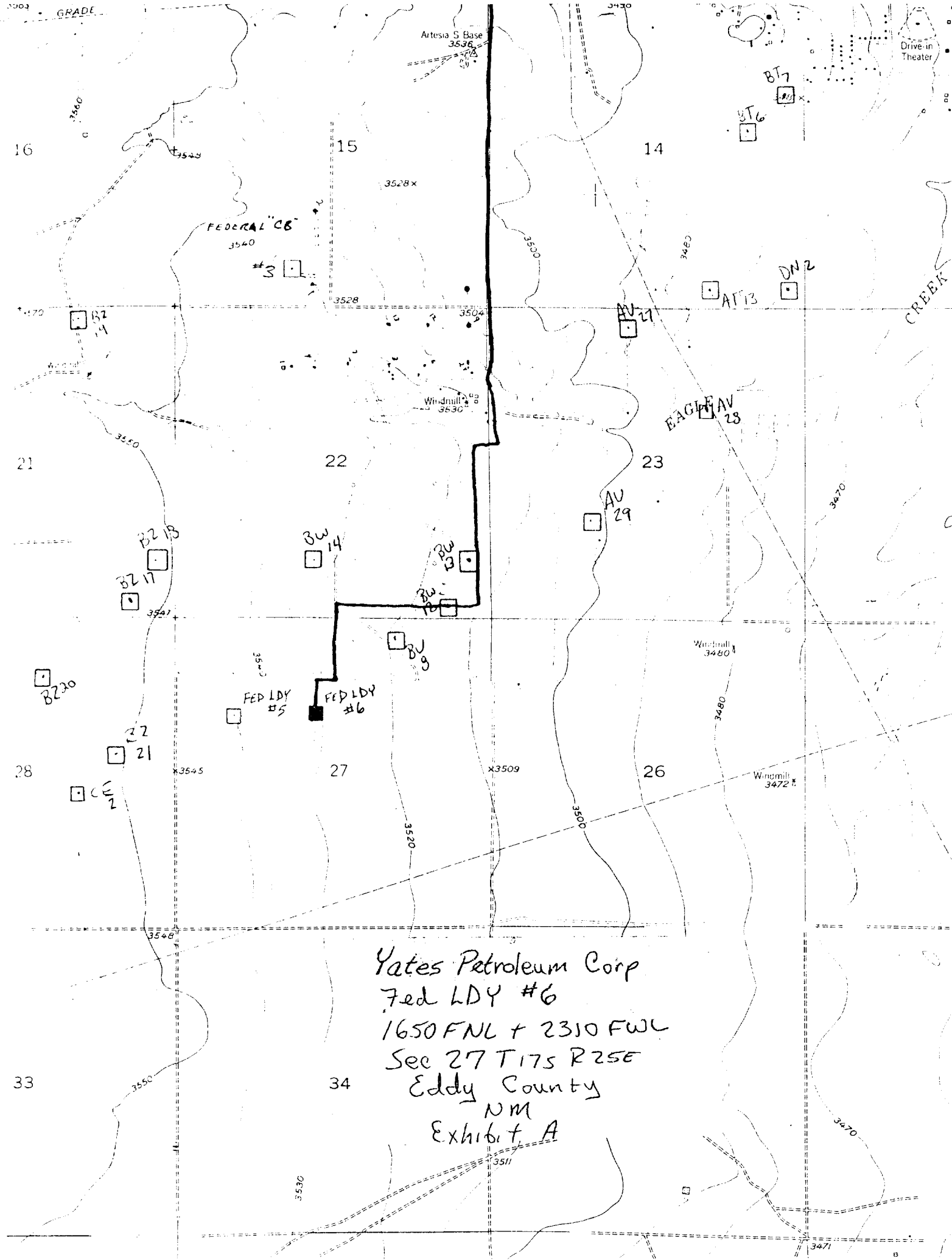
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

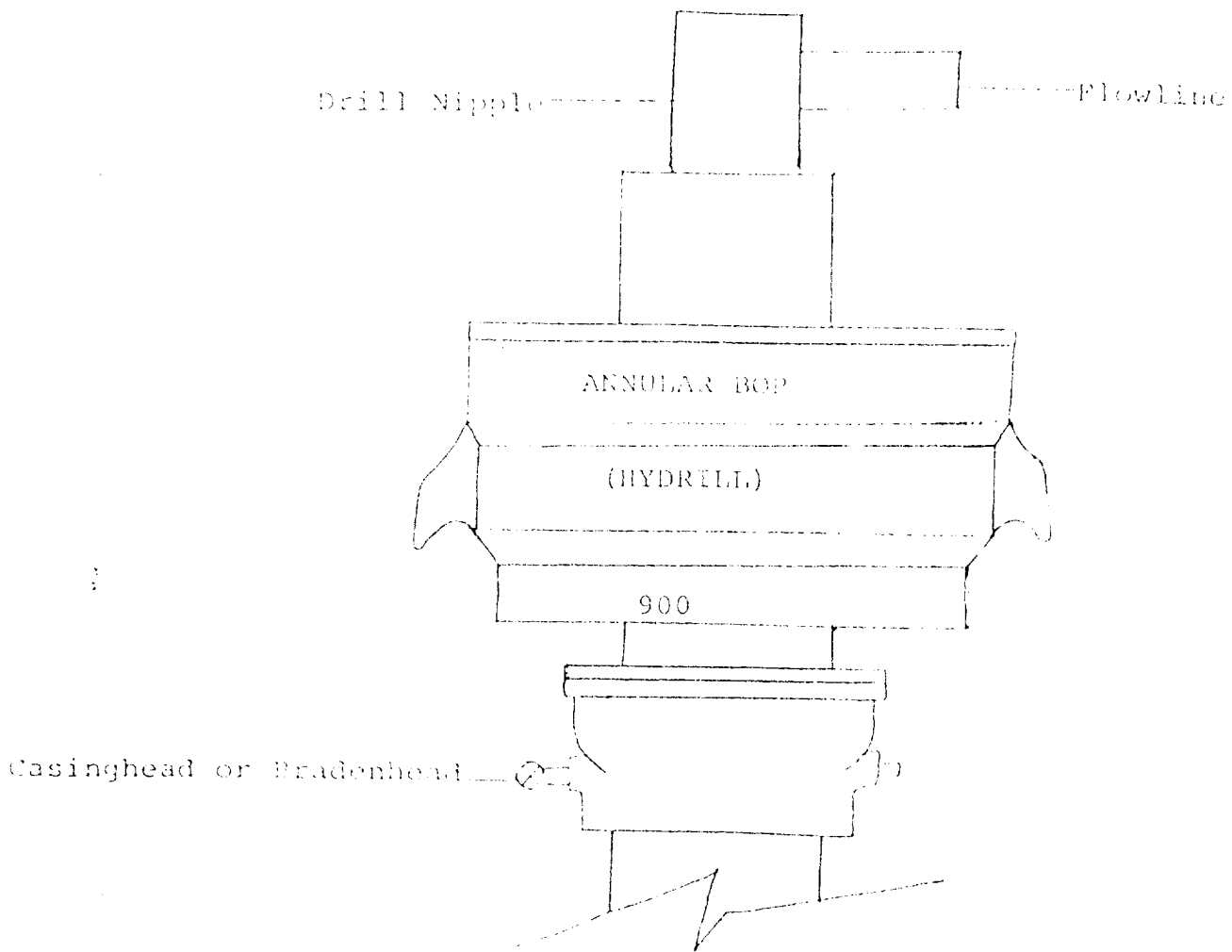
Samples: 10' samples from under surface
 DST's: none
 Coring: none
 Logging: GR-Nuetron

9. No abnormal pressures or temperatures are anticipated.

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



Yates Petroleum Corp
 Fed LDY #6
 1650 FNL + 2310 FWL
 Sec 27 T17S R25E
 Eddy County
 NM
 Exhibit A



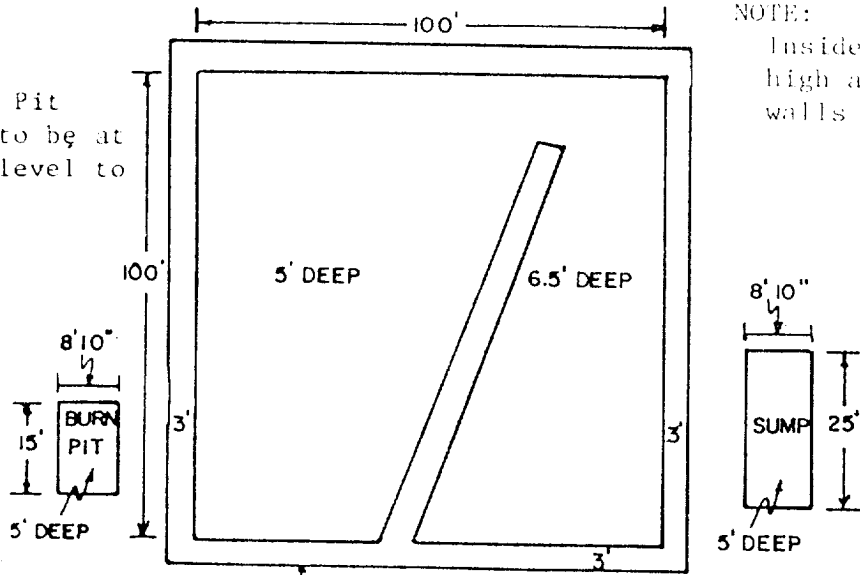
THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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.

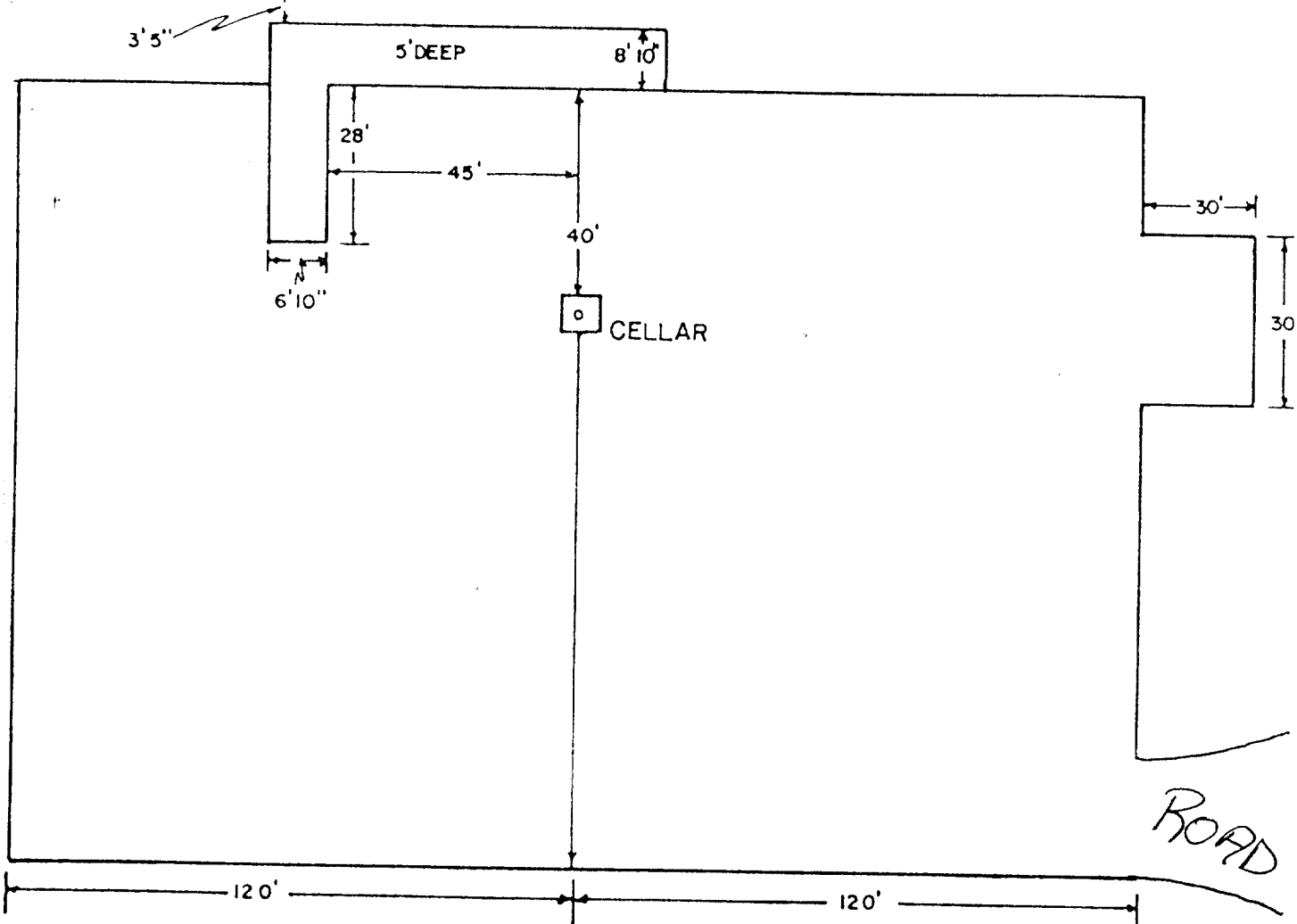
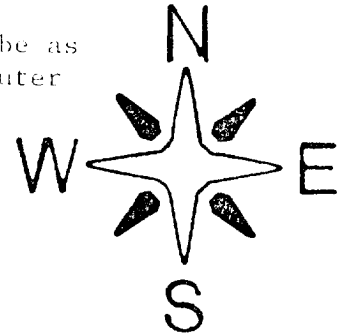
Exhibit C

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.





207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

December 20, 1982

Minerals Management Service
Federal Building
Roswell, New Mexico 88201
Attention: Mr. George Stewart

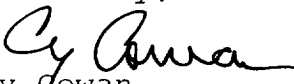
Re: Federal LDY #6

Dear Mr. Stewart,

Yates Petroleum Corporation has submitted an application to drill a well on surface owned by J. W. Gissler, P. O. Box 987, Artesia, New Mexico 88210. This well is located in Section 27-T17S-R25E, 1650' FNL and 2310' FWL, Eddy County, New Mexico.

In an on-site visit with Mr. Gissler, it was agreed that we would compensate him monetarily for the surface damages incurred. After drilling has been completed, the pit area will be leveled after it is dry and along with the pad will be left to reseed naturally.

Sincerely,


Cy Cowan
Regulatory Coordinator
YATES PETROLEUM CORPORATION

CC/dw