

N. M. Oil Cons. Division

811 S. 1ST ST.

ARTESIA, N.M. 87003-2834

SUBMIT IN ORIGINAL COPY
(Other Instructions on reverse side)

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

Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 YATES PETROLEUM CORPORATION 25575

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
 At surface: 1980' FSL and 990' FWL
 At proposed prod. zone: Same Unit L

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 9 miles east 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
 80

17. NO. OF ACRES ASSIGNED TO THIS WELL
 320

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

19. PROPOSED DEPTH
 9600'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3483' GR

22. APPROX. DATE WORK WILL START*
 ASAP

5. LEASE DESIGNATION AND SERIAL NO.
 NM-99028

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 2385J

8. FARM OR LEASE NAME, WELL NO.
 Duke "ARP" Federal Com. #

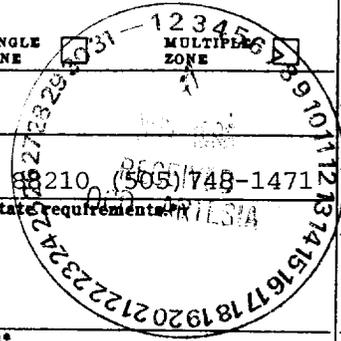
9. API WELL NO.
 30-015-3048

10. FIELD AND POOL, OR WILDCAT
 Morrow Logan Draw 809cc

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 14, T17S-R27E

12. COUNTY OR PARISH
 Eddy County

13. STATE
 New Mexico



23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	1650'	500 sx Circulate
7 7/8"	4 1/2"	11.6#	TD	350 sx TOC at 8000'

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 1650' of surface casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: 0-1650' Fresh Water; 1650'-5000' Fresh Water/Gel; 5000'-8500' Cut Brine 8500'-9600' Salt Gel/Starch/Driscap/2% KCL.

BOPE PROGRAM: BOPE will be nipped up on the 8 5/8" casing and tested daily for operational

PLEASE NOTE: This Application For Permit To Drill is also the application for road access Right of Way.

NSL-4165 11/19/98

Post ID-1
11-6-98
API & LOC

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 [Signature] TITLE Landman DATE October 6, 1998

(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:

(ORIG. SGD.) ARMANDO A. LOPEZ

Acting Assistant Field Office Manager,
Lands and Minerals

APPROVED BY _____ TITLE _____ DATE NOV 02 1998

*See Instructions On Reverse Side