

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

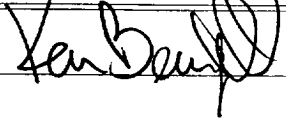

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-0630
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Yates Petroleum Corporation		7. If Unit or CA Agreement, Name and No. 25370
3a. Address 105 South Fourth Street Artesia, NM 88210	3b. Phone No. (include area code) (505) 748-1471	8. Lease Name and Well No. Federal "LDY" Deep Com. #10
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2100' FNL and 1980' FWL. At proposed prod. zone same UNIT F		9. API Well No. 30-015-30974
14. Distance in miles and direction from nearest town or post office* Approximately 8 miles west of Artesia, New Mexico.		10. Field and Pool, or Exploratory Eagle Creek Atoka Morrow Ea.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of Acres in lease 959.74	11. Sec., T., R., M., or Blk. and Survey or Area Section 27, T17S-R25E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8500'	12. County or Parish Eddy
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3534'	22. Approximate date work will start* ASAP	13. State NM
24. Attachments ROSWELL CONTROLLED WATER BASIN		17. Spacing Unit dedicated to this well 320
		20. BLM/BIA Bond No. on file 58-59-97 Post 2-25-00
		23. Estimated duration 20 days

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Ken Beardemphl	Date 1/18/00
Title Landman		
Approved by (Signature) 	Name (Printed/Typed) D. GRAY	Date FEB 15 2000
Title Assistant Field Manager, Lands And Minerals	Office APPROVED FOR YEAR	

Application approval does not warrant or certify the 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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

Notify OCD at SPUD & TIME  
to witness cementing the  
8 5/8 casing.  
APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

all  
1/26/00

