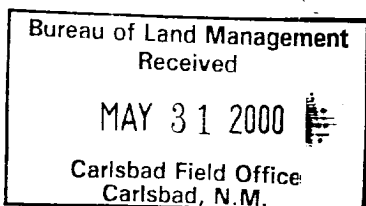
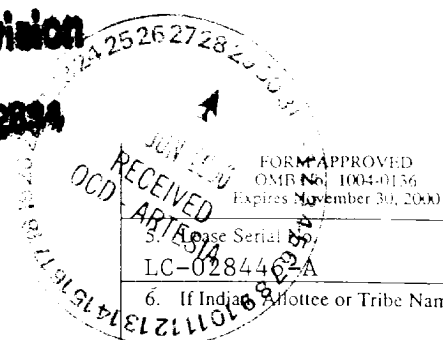


Form 3160-3
(August 1999)



N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834
710



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. 26/49	
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		8. Lease Name and Well No. #1 Orient Express "ARS" Fed Com	
2. Name of Operator Yates Petroleum Corporation 25575		9. API Well No. 30-015-31237	
3a. Address 105 South Fourth Street Artesia, New Mexico 88210		3b. Phone No. (include area code) (505) 748-1471	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 760' FSL & 1880' FEL At proposed prod. zone same UNIT 0		10. Field and Pool, or Exploratory CROW FLATS, PIERRE, SE	
14. Distance in miles and direction from nearest town or post office* Approximately 14 miles northeast of Artesia, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area Section 5, T17S-R28E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 760'		12. County or Parish Eddy	
16. No. of Acres in lease 639.36		13. State NM	
17. Spacing Unit dedicated to this well 320			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.		19. Proposed Depth 10,050'	
20. BLM/BIA Bond No. on file 585997			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3587'		22. Approximate date work will start* ASAP	
23. Estimated duration 30 days			

24. Attachments

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.
2. A Drilling Plan.
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)
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information or plans as may be required by the authorized officer.

25. Signature *Ken Beardemphl* Name (Printed/Typed) Ken Beardemphl Date 5/25/00

Title Landman

Approved by (Signature) *Earle Smith* Name (Printed/Typed) Earle Smith Date JUN 27 2000

Title For Assistant Field Manager, Lands And Minerals Office ROSWELL FIELD OFFICE APPROVED FOR 1 YEAR

Application approved for operations if 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)

• • • • •

RECEIVED
MAY 26 1968
FBI - NEW YORK

MAY 26 12:54 PM '68

RECEIVED