

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC-060122
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <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 105 South Fourth Street, Artesia, NM 88210		8. FARM OR LEASE NAME Chalk "AKH" Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface Unit I; 1980' FSL and 660' FEL At proposed prod. zone		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12 miles east of Artesia, NM		10. FIELD AND POOL, OR WILDCAT Wildcat
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 22-T18S-R27E
16. NO. OF ACRES IN LEASE 320		12. COUNTY OR PARISH Eddy
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 8600'		13. STATE NM
20. ROTARY OR CABLE TOOLS Rotary		22. APPROX. DATE WORK WILL START* ASAP
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3457.0' GR		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	1800'	In place
7 7/8"	5 1/2"	17 & 15.5 J-55	8600'	1200' (see slips)

This well was originally drilled to a TD of 10,050' as the Scoggins Draw Federal Com B #1 well. Plugged and abandoned July 4, 1989. Yates Petroleum Corporation proposes to drill out plugs at the surface, 1519' and 6585'. Then clean out the hole to 8600'. Run 5 1/2" casing to 8600' and cement with adequate cover, perforate and stimulate as needed for production.

MUD PROGRAM: This is a re-entry and will use Brine/gel to 8600'.

BOP PROGRAM: BOP will be installed at the beginning and tested daily.

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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 [Signature] TITLE Landman DATE 1-14-92

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

APPROVED BY TITLE DATE 1-24-92

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

ATTACHED

\*See Instructions On Reverse Side