

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N. M. Oil Co.
811 S. 1st
ARTESIA, NM 88210-2334

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LG-07003 CC-070003
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR HARVEY E. YATES COMPANY		7. UNIT AGREEMENT NAME MESQUITE 34 FEDERAL 12966
3. ADDRESS AND TELEPHONE NO. P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601		8. FARM OR LEASE NAME, WELL NO. 2
4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 1,980' FSL & 660' FWL AT PROPOSED PROD. ZONE SAME Unit L		9. API WELL NO. 30-015-30318
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 8 MILES SOUTHEAST OF LOCO HILLS, NM		10. FIELD AND POOL, OR WILDCAT CEDAR LAKE MORROW EAST 74605
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1,980'		11. SEC., T., R., M., OR BLK AND SURVEY OR AREA SEC 34, T17S, R31E
16. NO. OF ACRES IN LEASE 1,080		12. COUNTY OR PARISH EDDY
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE NM

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1870'	19. PROPOSED DEPTH 12,600	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,762' GL		APPROX. DATE WORK WILL START June 30, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WT PER FT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" H-40	48# ST&C 8RD	400	425 SX "C" w/ 2% CACL & 1/4# FLOSEAL
12 1/4"	8 5/8" J-55	32# ST&C 8RD	4,100	200 SX "C" w/ 2% CACL & 1/4# FLOSEAL 1400 SX FILLER *
7 7/8"	5 1/2" J-55	17# LT&C 8RD	12,600	1100 SX LEAD & 400 SX TAIL **

ALL CASING WILL BE NEW, OR USED MEETING BLM SPECS.
CEMENT WILL BE CIRCULATED ON 13 3/8" AND 8 5/8" CASING.
CEMENT QUANTITIES AND ADDITIVES ARE SUBJECT TO CHANGE DUE TO HOLE CONDITIONS.
* FILLER CEMENT 35/65 "C" POZ w/ 6% GEL, 5# SALT, & 1/4# FLOSEAL
** LEAD: 1100 SX "H" POZ w/ 2% GEL & 5# SALT PER SACK
TAIL: 500 SX "H" w/ 3% KCL, .5% FLUID LOSS, .3% DISPERSANT, 1% BONDING AGENT, .3% RETARDER, & .2% SODIUM METASILICATE PER SACK

PROPOSED MUD PROGRAM	
0-400	FRESH WATER w/ PAPER & SHALE GUARD. MW-9.0 VIS-31
400-3,100	BRINE WATER w/ PAPER & SHALE GUARD. MW-10.0 VIS-31
4,100-8,700	FRESH WATER w/ PAPER, SHALE GUARD, & AMMONIA NITRATE. 18-20,000 CHLORIDES. MW-8.6 VIS-29
8,700-12,600	MUD UP SYSTEM W/GEL & DRISPAC MW-9.2 VIS 36

MUD PROGRAM SUBJECT TO CHANGE DUE TO HOLE CONDITIONS

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	<u>Bob Williams</u>	Bob Williams	TITLE	<u>Drilling Superintendent</u>	DATE	<u>May 19, 1998</u>
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(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

PERMIT NO.	APPROVAL DATE
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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:

APPROVED BY	<u>IS/ Earle Smith</u>	TITLE	<u>Acting Field Office Manager</u>	DATE	<u>JUN 24 1998</u>
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TITLE 18 U.S.C. SECTION 1001, MAKES IT A CRIME FOR ANY PERSONS 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

NOTE: CA SCR-374(m)
S/2 Sec. 34, T17S R21E } ok, No Bearing