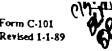
Submit to Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies

State of New Mexico



DISTRICT

P.O. Box 2088

Form C-101 Revised 1-1-89

r.u. bu	1980, 1100	IOE TAIM	00240
DIZIBIC			
P.O. Drav	ver DD. A	nesia, Ni	M 88210

Santa Fe, New Mexico 87504-2088

OIL CONSERVATION DIVISION

API NO. (assigned by OCD on New Wells)	
30-115-26977	•
5. Indicate Type of Lease	CO.

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DISTRICT III 1000 Rio Brazos Rd., Azter			C C D	6. State Oil & Gas L	ease No.
APPLICAT	ION FOR PERMIT T	O DRILL, DEEPEN,	SHEED CHACK	V//////////	
1a. Type of Work:				7. Lease Name or Ui	nit Agreement Name
DRILI b. Type of Well:	RE-ENTER	DEEPEN	PLUG BACK		-
MET X MET C	OTHER	SINGLE ZONE	MULTIPLE 20NE	Roy "AET"	
2. Name of Operator		/		8. Well No.	
Yates Petroleum Corporation / 4 3. Address of Operator 105 South Fourth Street, Artesia, New Mexico / N. Dagger Draw Upper Penn					
•	ırth Street, Art	esia, New Mexic	:o [*]		
4. Well Location Unit Letter () : 1980 Feet Fr	com The East	Line and	660 Feet From Th	s South Line
Section	8 Towns	. 19 South	25 East	NMPM E	ddy C ounty
	444444444444				
		10. Proposed Dep 8250)	11. Formation Canyon	12 Rozry or C.T. Rotary
13. Elevations (Show whether	er DF, RT, GR, etc.)	4. Kind & Status Plug. Book Blanket	15. Drilling Contra Not design	1 11	PIOX. Date Work will start AP
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT			NT EST. TOP
14 3/4"	9 5/8"	36#_ J-55	1100'	1100 sack	
8 3/4"	7"	23 & 26#	TD	As warrante	d
	<u> </u>	J-55: N-80			

Yates Petroleum Corporation proposes to drill and test the Canyon and intermediate formations. Approximately 1100' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM:	FW gel/LCM to 1100'; FW to 4000'; cut Brine to 7500'; SW Gel/Starch to TD.
BOP PROGRAM:	BOP's and hydril will be installed on 9 5/8" casing and tested daily.
	BOP's and hydril will be installed on 9 5/8" casing and tested daily. APPROVAL VALID FOR 180 DAYS 4-18-5 THE BEST ALLES - 10/2/52 - New La
	OTRIBLED DE LANGE UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR FLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW ZONE, GIVE BLOWOUT PREVENTER PROGRAM, IF ANY. true and complete to the best of my knowledge and belief. I hereby certify that the information 3-27-92 Landman SIGNATURE DATE Ken Beardemphl 748-1471 TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Usc) ORIGINAL SIGNED BY MIKE WILLIAMS SUPERVISOR DISTRICT ! APPROVED BY.

8 1992 DATE

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

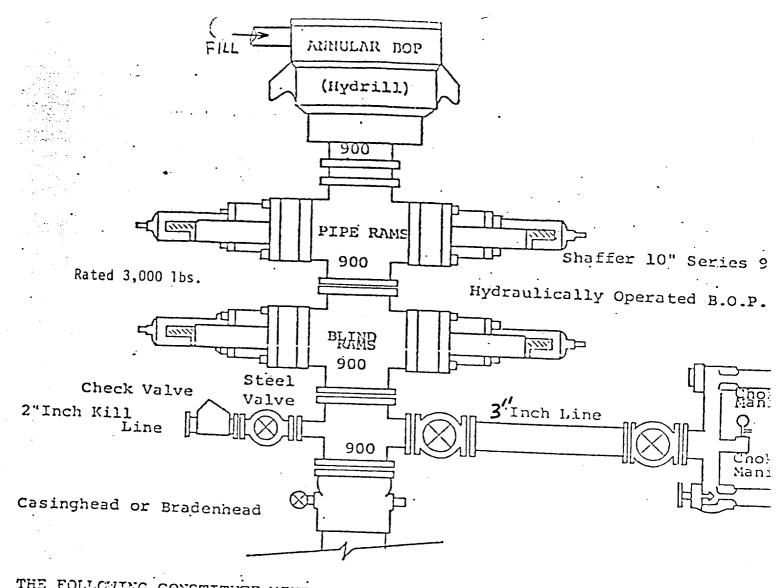
P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator				Lease				Well No.
	PETROLEUM CO			ROY A	ET			4
Unit Letter	Section	Township		Range			County	
O Actual Footage Loca	8	19	SOUTH	25 EA	ST	NMPM	EDD	OY COUNTY, NM
1980	_	AST		660				Train .
Ground level Elev.		Formation	line and	660 P∞l		feet from	the SOU	TH line Dedicated Acreage:
3545.	1	Canyon		N. Dagger	Draw Uppe	r Penn	1	160 Acres
1. Outline	the acreage dedicated		il by colored pen					Actes
2. If more	than one lease is dedi	cated to the well,	outline each and	identify the owners	ship thereof (both a	s to worki	ng interest and	royalty).
3. If more	than one lease of diff	erent ownership is	s dedicated to the	well, have the inte	rest of all owners b	een consol	lidated by com	munitization,
	tion, force-pooling, etc.	?					·	,
If answer	Yes is "no" list the owners			e of consolidation actually been conso	olidated. (Use reve	rse side of		
this form	if neccessary.							
No allowa or until a	able will be assigned to non-standard unit, elim	the well until all inating such inte	interests have be rest, has been app	en consolidated (by proved by the Divisi	communitization,	unitization	i, forced-poolir	ng, or otherwise)
	l	· · · · · · · · · · · · · · · · · · ·	<u> </u>	<u> </u>				TOR CERTIFICATION
	ĺ			Ì				certify that the information in in true and complete to the
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	! !						Com <mark>pany</mark> (ATES PE	TROLEUM CORPORATION
	1			İ			Date	
	ļ			ļ		1 1	March 27	, 1992
							SURVE	YOR CERTIFICATION
	į		† 1	į				fy that the well location shown
	l			1				was plotted from field notes of s made by me or under my
						13 1		s made by me or under my nd that the same is true and
				1	Đ	4	correct to th	e best of my knowledge and
			1				belief.	
	1		1 4	4	1	li l	Date Surveyed	
			 				MARCH 2	0,,1992
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							NM PEAP	5 110 N 24 12
0 330 660	990 1320 1650	1980 2310 2	640 200	00 1500	1000 500	0	1	1,53310



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual cont 1. installed prior to drilling out from under casing. Choke outlet to be a minimum of 3 " diameter. 2.
- Kill line to be of all steel construction of 2" minimum diameter. 3.
- All connections from operating manifolds to preventers to be all steel 4. hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that . required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivato that of the B.O.P.'s. 7.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor 8.
- Hole must be kept filled on trips below intermediate casing. 9.

EXHIBIT