

NM OIL CONS. COMMISSIONATES
DRAWER DEPARTMENT OF THE INTERIOR
ARTESIA, NM 88210 LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
 YATES PETROLEUM CORPORATION ✓

3. ADDRESS AND TELEPHONE NO.
 105 South Fourth Street, Artesia, New Mexico 88210 JUN 29 '94

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At SURFACE 1980' FNL & 660' FEL
 At proposed prod. zone Same
 C. C. D. ARTESIA OFFICE
 H. H.

5. LEASE DESIGNATION AND SERIAL NO.
 NM-76936

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Sunflower AHW Federal #3

9. AP WELL NO.
 30-015-28027

10. FIELD AND POOL, OR WILDCAT
 Wildcat Abo ~~SIEGEST DRAW~~

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 96215
 Sec. 31-T19S-R24E

12. COUNTY OR PARISH
 Eddy

13. STATE
 NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 30 miles southwest of Artesia, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
 677.60

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
 4300

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3835
Roswell Controlled Water Basin

22. APPROX. DATE WORK WILL START*
 ASAP

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	13 3/8	54.5#	400'	325 sx. circulated
12 1/4	8 5/8	24#	1400'	200 sx. circulated
7 3/4	5 1/2	15.5#	4300'	800 sx.

Yates Petroleum Corporation proposes to drill and thest the ~~Morrow~~ ^{ABO} and intermediate formations. Approximately 400' of surface casing will be set and cement circulated shut off gravel and cavings. We will run intermediate casing and commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW Spud to 400', FW to 1400'; Cut Brine/Gel/Starch to TD.

BOP PROGRAM: Bop's will be installed and tested daily.

Subject to
Requirements and
Regulations
Attached

Post ID-1
7-1-94
New Loc + APF

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 [Signature] TITLE LANDMAN DATE 6/2/94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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 [Signature] TITLE AREA MANAGER DATE 6/27/94

*See Instructions On Reverse Side

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-28027		2 Pool Code 96215		3 Pool Name SEE GRES DRAWING A30	
4 Property Code		5 Property Name SUNFLOWER "AHW" FEDERAL			6 Well Number 3
7 OGRID No.		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 3835.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	31	19S	24E		1980	NORTH	660	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

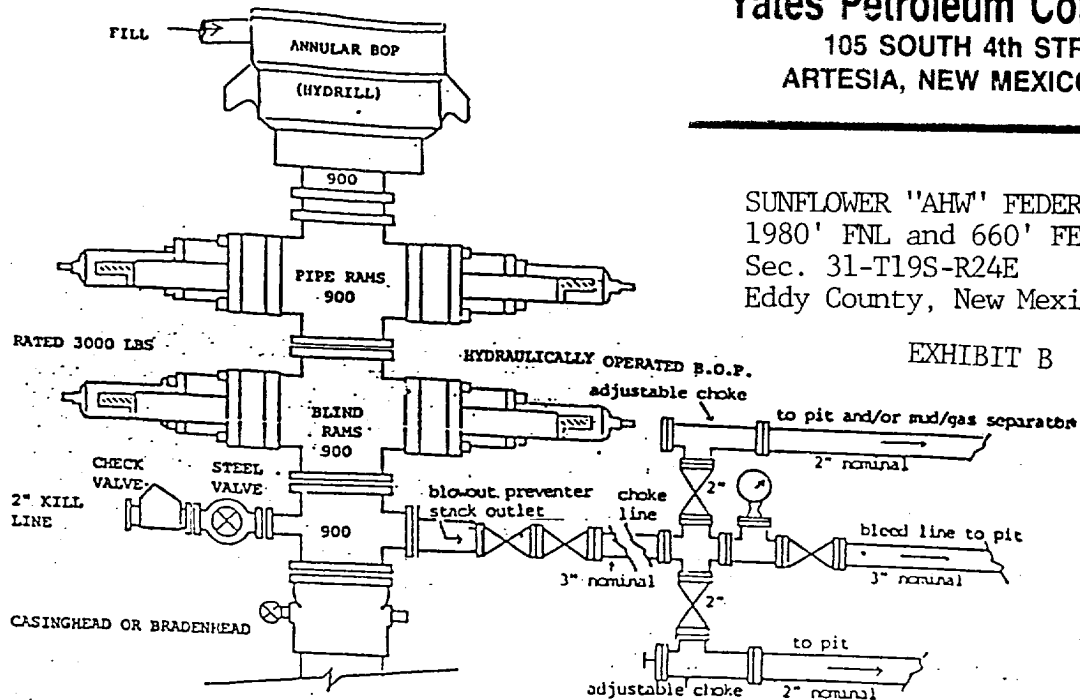
12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION
					<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
					Signature
					Printed Name Ken Beardemph Title Landman Date 6-2-94
18 SURVEYOR CERTIFICATION					
<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>					
MAY 17, 1994					
Date of Survey					
Signature and Seal of Professional Surveyor:					
Certificate Number NM REG 5412					

YATES PETROLEUM CORPORATION

Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210



SUNFLOWER 'AHW' FEDERAL #3
1980' FNL and 660' FEL
Sec. 31-T19S-R24E
Eddy County, New Mexico

EXHIBIT B

typical choke manifold assembly for 34 rated working pressure service-surface installation

EXHIBIT B

THE FOLLOWING CONSTITUTES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

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