

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-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
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RECEIVED

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|---------------------------------------|----------------------------|
| Operator Name and Address. YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210 | | OGRID Number 025575 |
| | | API Number 30-015-28629 |
| Property Code 16482 | Property Name Aparejo APA St. Com. | Well No. 5 |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 16 | 19S | 25E | | 660 | North | 1980 | West | Eddy |

Proposed Bottom Hole Location If Different From Surface

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

Proposed Pool 1: *Bogal Morrow* 72840
 Proposed Pool 2:

| | | | | |
|---------------------|-------------------------|------------------------|------------------------------|--------------------------------|
| Work Type Code N | Well Type Code G | Cable/Rotary Rotary | Lease Type Code S | Ground Level Elevation 3510 |
| Multiple No | Proposed Depth 9500' | Formation Morrow | Contractor Not Determined | Spud Date ASAP |

Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------------|---------------|-----------------|--|
| 14 3/4" | 9 5/8" | 36# J-55 | 1150 | 1400 sx | Circulated |
| 8 3/4" | 7" | 23# & 26# J-55 & N-80 | TD | 1350 sx | Port ID-1 10-13-95 New Loc & API |

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation wishes to drill and test the Morrow and all intermediate formations. Approximately 1150' 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, Paper, LCM to 1150' FW to 5000'; Cut Brine to 7200'; Cut Brine, Starch to TD.

BOP PROGRAM: BOP's and hydral will be installed on the 9 5/8" casing and tested daily.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: Ken Beardemphl

Title: Landman

Date: 10-09-95

Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUN

Title: DISTRICT II SUPERVISOR

Approval Date: 10/10/95

Expiration Date: 7/1/96

Conditions of Approval:

Attached

Verify N.M.O.C.C. in [unclear]

time to witness cementing

the 9 5/8" casing

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Energy, Minerals & Natural Resources Department

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Santa Fe, NM 87504-2088

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Revised February 10, 1994
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------|--|--|--|--------------------------------|----------------------|
| 1 API Number 30-015-28629 | | 2 Pool Code 72840 | | 3 Pool Name Boyd, Morrow | |
| 4 Property Code | | 5 Property Name APAREJO APA STATE COM | | | 6 Well Number 5 |
| 7 OGRID No. 025575 | | 8 Operator Name YATES PETROLEUM CORPORATION | | | 9 Elevation 3510. |

10 Surface Location

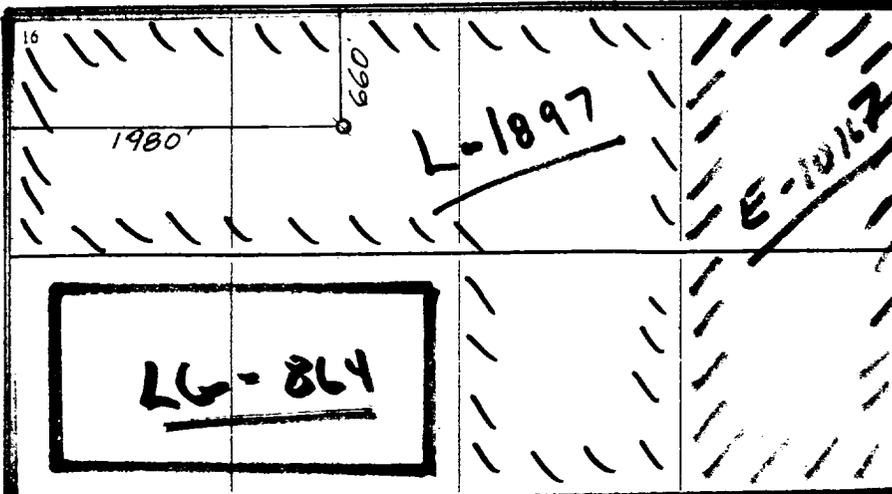
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 16 | 19S | 25E | | 660 | NORTH | 1980 | WEST | 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 320 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|---------------------------|--------------------|-----------------------|--------------|

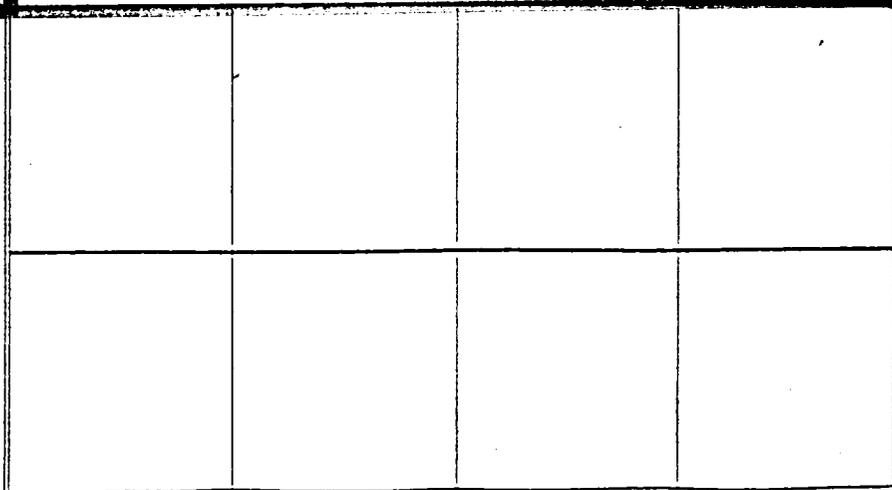
NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Ken Beardemphl
Printed Name: Ken Beardemphl
Title: Landman
Date: 10-09-95



18 SURVEYOR CERTIFICATION

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.

OCTOBER 9, 1995
Date of Survey

Signature and Seal of the Registered Professional Engineer: DAN R. REDDY

REGISTERED LAND SURVEYOR
NEW MEXICO
5412
PROFESSIONAL ENGINEER
Certificate Number: NM REG.PS. NO. 5412

YATES PETROLEUM CORPORATION

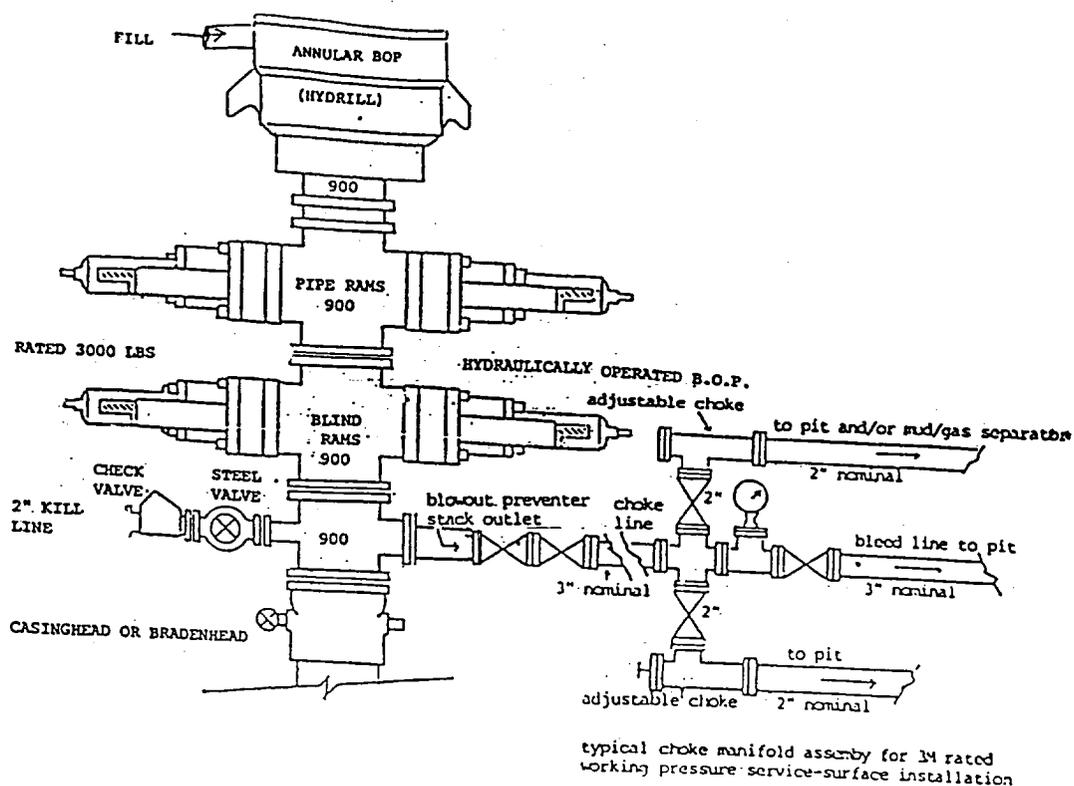


EXHIBIT B

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.