

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> <i>SJS</i>		5. LEASE DESIGNATION AND SERIAL NO. NM-78215
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Re-entry 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 AND TELEPHONE NO. 105 South Fourth Street, Artesia, New Mexico 88210		8. FARM OR LEASE NAME, WELL NO. Hickory "ALV" Federal #2
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 950' FNL & 950' FWL At proposed prod. zone Same		9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 30 miles Northwest of Carlsbad, New Mexico		10. FIELD AND POOL, OR WILDCAT Indian Basin Upper Penn Associated Pool
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 950'	16. NO. OF ACRES IN LEASE 1256.40	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 18-T22S-R24E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 8700'	12. COUNTY OR PARISH 13. STATE Eddy NM
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4172' GR		20. ROTARY OR CABLE TOOLS Rotary
		22. APPROX. DATE WORK WILL START* ASAP

23. 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"	48# H-40	191' In Place	350 sacks circulated
12 1/4"	8 5/8"	24# J-55	2301' In Place	1075 sacks
7 7/8"	5 1/2"	17# L-80	8700'	400 sacks

Yates Petroleum Corporation proposes to re-enter this well which was originally drilled by Pan American Petroleum Corporation September 16, 1968 as the Duncan Federal Gas Com #1. This well was plugged and abandoned October 29, 1968.

Yates plans to re-enter this well and cleanout to the original TD of 7791' then deepen to 100' below the Canyon Dolomite run 5 1/2" casing and complete in the Canyon Dolomite.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

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 *Ken B. [Signature]* TITLE LANDMAN DATE 8/17/93  
(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 NOV 17 1993

\*See Instructions On Reverse Side