

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

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

DEC 18 '90

API NO. (assigned by OCD on New Wells)
30-015-26586
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1673

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>					
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>					
2. Name of Operator Yates Petroleum Corporation					
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210					
4. Well Location Unit Letter N : 660 Feet From The South Line and 1980 Feet From The West Line Section 36 Township 21 South Range 31 East NMPM Eddy County					
10. Proposed Depth 8500'					
11. Formation Delaware					
12. Rotary or C.T. Rotary					
13. Elevations (Show whether DF, RT, GR, etc.) 3564' GR					
14. Kind & Status Plug, Bond Blanket					
15. Drilling Contractor Undesignated					
16. Approx. Date Work will start ASAP					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.4#	850'	850	Circulate
12 1/4"	8 5/8"	32.0#	4500'	2500	Circulate
7 7/8"	5 1/2"	17 & 20#	TD	As warranted	As warranted

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 850' of surface casing will be set and cement circulated. Approximately 4500' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

ADDITIONAL VALID FOR 180 DAYS
PERMIT EXPIRES 6/20/91

MUD PROGRAM: Native mud to 850'; Brine to 4500'; cut Brine to TD DRILLING UNDERWAY

BOP PROGRAM: BOP will be installed at the offset and tested daily for operational. 12-21-90

NOTE: On 12-13-90 I talked to Gary Johnson with BLM. He doesn't think there is a problem. On 12-18-90 Bob Lane with New Mexico Potash verbally gave okay on this location.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Clifton R. May TITLE Permit Agent DATE 12-18-90
TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use)

ORIGINAL SIGNED BY

MIKE WILLIAMS

SUPERVISOR, DISTRICT II

APPROVED BY DATE

CONDITIONS OF APPROVAL, IF ANY:

DEC 21 1990

133/2 + 858 CASING