SUBMIT IN Form 3160-3 (November 1983) (Other instructions on Budget Bureau No. 1004-0136 (formerly 9-331C) DEPARTMENT OF THE INTERIOR Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT NM-67712 APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 6. IF INDIAN, ALLOTTER OR TRIBE NAME 1a. TYPE OF WORK DRILL X 7. UNIT AGREEMENT NAME DEEPEN | PLUG BACK b. TYPE OF WELL SINGLE ZONE WELL X MULTIPLE ZONE 8. FARM OR LEASE NAME OTHER 2. NAME OF OPERATOR Julia AJL Federal Yates Petroleum Corporation 9. WELL NO. 3. ADDRESS OF OPERATOR RECEIVED 105 South Fourth Street, Artesia, NM 10. FIELD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Wildcat Delaware 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Letter A 660' FNL and 660' FEL At proposed prod. zone O. Sec. 34-T21S-R30E 12. COUNTY OR PARISH | 13. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 25 miles northeast of Loving, NM DISTANCE FROM PROPUSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) Eddy NM 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 160 40 DISTANCE FROM PROPOSED LOCATION® 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 7500 Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 3200' GR ASAP 23. proposed casing and cementing program Secretary's Potosh R-111-P Potash SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 17 1/2" ī3 3/8" 54.5# J-55 150 <u>Circulate - 250 sacks</u> <u>Circulate -1400 sacks</u> 11" 5/8" 32.0# J-55 3550 7 7/8" 1/2" & 15.5# TD Adequate cover (Tie Back) see stips) Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate fromations. Approximately 150' of surface casing will be set and cement circulated. Approximately 3550' 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. Native mud to 150'; Brine to 3550'; cut Brine to TD. MUD PROGRAM: BOP PROGRAM: BOP will be installed at the offset and tested daily to assure good mechanical working order. IN ABOVE SPACE DESCRIBE PROFOSED PROGRAM: If proposal is to deepen or plug back, 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. Permit Agent TITLE (This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

PERMIT NO.

*See Instructions On Reverse Side

DATE 1-16-92