

NM OIL CONS. COMMISSION
DRAWER
ARTESIA, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3160-3
(July 1992)

(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-90505		
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"/>			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. Atom "ANI" Federal Com #1		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FNL & 990' FWL At proposed prod. zone Same			9. API WELL NO. 30-018-27721		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE Approx. 29 miles NW of Carlsbad, New Mexico			10. FIELD AND POOL, OR WILDCAT Indian Basin Upper Perm Assoc Pool Section 10-T22S-R24E		
13. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990'		16. NO. OF ACRES IN LEASE 360	17. NO. OF ACRES ASSIGNED TO THIS WELL 320		
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 9000'	20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4001 GR			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# J-55	325'	200 sacks circulate
12 1/4"	9 5/8"	36# J-55	2500'	425 sacks circulate
8 3/4"	7"	23# + 26# J-55 + N-80	9000'	750 sacks (600' above Wolfcamp, min.)

Yates Petroleum Corporation proposes to drill and test the Canyon and intermediate formations. Approximately 325' of surface casing will be set and cement circulated to shut off gravel and cavings. We will run intermediate casing and if commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW to 5000'; Salt Brine to 7500'; Salt Brine, Gel + Starch to TD.

BOP PROGRAM: Bop will be installed and tested daily.

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 8/12/93
(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 produce oil or gas thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE _____ DATE OCT 6 1993

*See Instructions On Reverse Side