

OCD-ARTESIA

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM89143
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA Agreement, Name and No. 12524
3a. Address 105 S 4TH STREET ARTESIA, NM 88210		8. Lease Name and Well No. LOWE STAPLE AMR FED COM. 2
3b. Phone No. (include area code) Ph: 505.768.4364 Fx: 505.748.4572		9. API Well No. 30-015-32181
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNW 237FNL 937FWL At proposed prod. zone NWNW 660FNL 660FWL		10. Field and Pool, or Exploratory UNKNOWN Indian Basin Mernew
14. Distance in miles and direction from nearest town or post office* APPROX. 32 MILES NW OF CARLSBAD, NEW MEXICO		11. Sec., T., R., M., or Bldg. and Survey or Area Sec 22 T21S R24E Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 237'	16. No. of Acres in Lease	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1500'	19. Proposed Depth 10050 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3969 GL	20. BLM/BIA Bond No. on file	17. Spacing Unit dedicated to this well 370 651.47
22. Approximate date work will start		23. Estimated duration 45 DAYS

24. Attachments

Carlsbad Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) CY COWAN Ph: 505.748.4372	Date 11/28/2001
Title REGULATORY AGENT		
Approved by (Signature) /S/ JOE G. LARA	Name (Printed/Typed) /S/ JOE G. LARA	Date JAN 24 2002
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify 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, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

APPROVAL SUBJECT TO Electronic Submission #9432 verified by the BLM Well Information System  
GENERAL REQUIREMENTS AND For YATES PETROLEUM CORPORATION, sent to the Carlsbad  
SPECIAL STIPULATIONS AFMSS for processing by linda askwig on 11/29/2001 (02LA1033AE)  
ATTACHED

\*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\*

