Form 3160-3 RECE (August 1999)

N.M. Oil Cons. DIV-Dist. 1301 W. Grand Avenue

CISP

Artesia, NM 88210 OMB No. 1004-0136 OCD - AF = UNITED STATES Expires November 30, 2000 DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT NM-91504 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No. la. Type of Work: DRILL REENTER 8. Lease Name and Well No. Oil Well **K** Gas b. Type of Well: Other Single Multiple Zone Mighty Mite AZF Federal Com. #1 9. API Well No. 2. Name of Operator 30-015-32266 **Yates Petroleum Corporation** 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 105 South Fourth Street 3A. Address Artesia, New Mexico 88210 (505) 748-1471 Indian Basin Upper Penn Associated 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T., R., M., or Blk, and Survey or Area 229' FNL &1541' FEL 660' FNL & 660' FEL (Section 10, T22S-R24E At proposed prod. Zone 14. Distance in miles and direction from nearest town or post office* 12. County or Parish 13. State Approximately 32 miles NW of Carlsbad, New Mexico **Eddy County** NM Distance from proposed 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 229 40 N/2 - 320 acres Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 19. Proposed Depth 20. BLM/BIA Bond No. on file 30' 10,500 585997 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 3980 **ASAP** 45 days 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form: 1. Well plat certified by a registered surveyor. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. SUPO shall be filed with the appropriate Forest Service Office. Such other site specific information and/or plans as may be required by the authorized office. 25. Signature Name (Printed/Typed) Date Cy Cowan 2/1/02 Title: Regulatory Agerit Name (Printed/Typed)

/S/ JOE G. LARA Approved by (Signature) /S/ JOE G. LARA APR 1 5 2002 Title CARLSBAD FIELD OFFICE Office 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. APPROVAL FOR 1 YEAR Conditions of approval, if any, are attached

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

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^{*(}Instructions on reverse)

