فلالأدر وسينشندن Form 3160-3 SUBMIT IN IPLICATE: (November 1983) (formerty) (1971) (Other instructions on Budget Bureau No. 1004 UNITED STATES reverse side) Expires August 31, 1985 ADEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO BUREAU OF LAND MANAGEMENT NM-65417 PPMEATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 6. IF INDIAN, ALLOTTEE OR TRIBE NAME TYPE OF WORK DRILL 🛛 DEEPEN 7. UNIT AGREEMENT NAME PLUG BACK [P. TIPE OF WELL PWELL X WELL SINGLE MULTIPLE ZONE 8. FARM OR LEASE NAME 2. NAME OF OPERATOR RECEIVED Martha AIK Federal Yates Petroleum Corporation 9. WELL NO. 3. ADDRESS OF OPERATOR 1 105 South Fourth Street, Artesia, NM 88210 10. FIELD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. Undes. Lavingston Ridge 330' FSL and 430' FEL 11. SEC., T., B., M., OR BLK. AND SURVEY OR AREA Delaware C. C. D. At proposed prod. zone ARTESIA, OFFICE Sec. 11-T22S-R31E 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12. COUNTY OR PARISH | 13. STATE 35 miles NE of Loving, New Mexico 15. DISTANCE FROM PROPOSED*
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 18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 8500' Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* Carlsbad Controlled Water Basin 3566' GR 23. PROPOSED CASING AND CEMENTING PROGRAM Secretary's Potash R-111-P Potash SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 17 1/2" 3/8" 13 54.5# 850' <u> Circulate - 850 sacks</u> 12 1/4" 8 5/8" 32.0# 45001 Circulate - 2500 sacks 7/8" 5 1/2" 17 & 20# TD Adequate cover - SEE STIPS THE APPLICANT TO New Loc Y Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate AFT 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. Native mud to 850'; Brine to 4500'; cut Brine to TD. MUD PROGRAM: BOP will be installed at the offset and tested daily for operational. BOP PROGRAM: 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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout Permit Agent 11-9-90 (This space for Federal or State office use) PERMIT NO APPROVAL DATE MG Wy Si CARLORAU F. U.F. UPS TAIL APPROVED BY 11-21 90 CONPERIORAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS *See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.