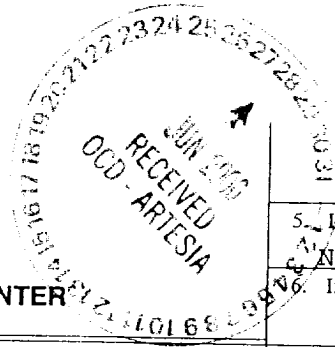


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER



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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. Chosa ATR Federal #1	
2. Name of Operator YATES PETROLEUM CORPORATION		9. API Well No. 30 015-31215	
3a. Address 105 South Fourth Street Artesia, New Mexico 88210	3b. Phone No. (include area code) (505) 748-1471	10. Field and Pool, or Exploratory Chosa Draw Morrow	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2250' FSL and 1060' FWL At proposed prod. zone Same Unit L		11. Sec., T., R., M., or Blk. and Survey or Area Section 8, T25S-R26E	
14. Distance in miles and direction from nearest town or post office* Approximately 14 miles southwest of Carlsbad, New Mexico		12. County or Parish Eddy County	13. State New Mexico
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1060'	16. No. of Acres in lease 1704.74	17. Spacing Unit dedicated to this well W/2	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3300'	19. Proposed Depth 12,000'	20. BLM/BIA Bond No. on file 585997	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3344' GR	22. Approximate date work will start* ASAP	23. Estimated duration 30 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:

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

25. Signature 	Name (Printed/Typed) Cy Cowan	Date February 29, 2000
Title Regulatory Agent		
Approved by (Signature) 	Name (Printed/Typed) EARLE SMITH	Date JUN 27 2000
Title Assistant Field Manager, Lands And Minerals	Office BOSWELL FIELD OFFICE	

**APPROVED FOR 1 YEAR**

Application approval does not warrant or certify the 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.

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.

\*(Instructions on reverse)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS