

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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-18822	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" 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. Leeman "OC" Federal 45	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface: Unit Letter J; 2310' FSL and 2130' FEL At proposed prod. zone: Same		9. AP WELL NO. 30-005-65041	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 24 miles Northeast of Roswell, New Mexico		10. FIELD AND POOL, OR WILDCATS Pecos Slope Abo (G.A.)	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 18-T7S-R26E	
16. NO. OF ACRES IN LEASE 160		12. COUNTY OR PARISH Chaves	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		13. STATE New Mexico	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4400'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3635' 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
14.75"	9.625"	36# J-55	850'	700 SX
*8.75"	7.0"	23# J-55	1500'	250 SX
7.375"	4.5"	10.5# J-55	TD	350 SX

Post ID 1
2-17-95
New Line 4 A 21

Yates Petroleum Corporation proposes to drill and test the Abo and intermediate formations. Approximately 850' of surface casing will be set and cement circulated to the surface. (*If lost circulation is encountered, 7" casing will be set to approximately 1500'. Hole size will be reduced to 6.125".) If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud to 850' with FW Gel/LCM; 850' to 3500' with cut brine; 3500' to TD.

BOPE PROGRAM: BOPE will be installed on the 9 5/8" casing and tested daily for operational.

GAS NOT DEDICATED

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

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 Clifton R. May TITLE Permit Agent DATE 1/13/95
(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 conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY T.R. Keagan TITLE Area Manager DATE 2/2/95

*See Instructions On Reverse Side