

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-71774
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR Yates Petroleum Corporation		7. UNIT AGREEMENT NAME N/A
3. ADDRESS OF OPERATOR 105 South Fourth Street, Artesia, New Mexico		8. FARM OR LEASE NAME Feline "ALF" Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface Unit Letter E; 660' FWL and 1980' FNL At proposed prod. zone 1650' <u>SOS</u>		9. WELL NO. 3
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 25 miles northeast of Loving, New Mexico		10. FIELD AND POOL, OR WILDCAT Undes. Cabin Lake Delawa
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 Sect. 34-T21S-R30E
16. NO. OF ACRES IN LEASE		12. COUNTY OR PARISH Eddy
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3126' GR		22. APPROX. DATE WORK WILL START* ASAP

PROPOSED CASING AND CEMENTING PROGRAM Secretary's Potash/A-111-P Potash

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5# J-55	250'	Circulate - 250 sacks
11"	8 5/8"	32.0# J-55	3550'	Circulate - 1400 sacks
7 7/8"	5 1/2"	17 & 15.5# J-55	TD	Adequate cover <u>(Tie Back)</u>

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 250' of surface casing will be set and cement circulated. Approximately 3550' 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.

MUD PROGRAM: Native mud to 250'; Brine to 3550'; cut Brine to TD.

BOPE PROGRAM: BOPE will be installed at the offset and tested daily to assure good mechanical working order.

Exp Intent 2-12-96 30-015-27330

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 preventer program, if any.

24. SIGNED Clifton R. May TITLE Permit Agent DATE 8-11-92
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 2-12-96
CONDITIONS OF APPROVAL, IF ANY: _____

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

ATTACHED to this permit is 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.