C15 F N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue Form 3160-3 0 Artesia, NM 88210 (August 1999) OMB No. 1004-0136 **UNITED STATES** Expires November 30, 2000 DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT NM-57274 6. If Indian, Allottee or Tribe Name ON FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No DRILL la. Type of Work: REENTER 8. Lease Name and Well No. X Oil Well b. Type of Well: Gas Other Single Multiple Zone Haracz "AMO" Federal #2 Zone 9. API Well No 2. Name of Operator **Yates Petroleum Corporation** 105 South Fourth Street 3A. Address 3b. Phone No. (include area code) Artesia, New Mexico 88210 (505) 748-1471 Cotton Draw Brushy Canyon 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 At surface 660' FSL & 1980' FWL, Unit N Same Section 24, T24S-R31E At proposed prod. Zone 14. Distance in miles and direction from nearest town or post office\* 12. County or Parish 13. State Approximately 29 miles SE of Loving, 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) 1743.52 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 8600' 585997 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start\* 23. Estimated duration 3549' GL **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. SUPC shall be filed with the appropriate Forest Service Office Such other site specific information and/or plans as may be required by the 25. Signature Name (Printed/Typed) Date Cy Cowan 3/20/02 Title: Regulatory Agent Name (Printed/Typed)
/S/ JOE G. LARA Approved by (Signature) /S/ JOE G. LARA APR 2 1 2002 FIELD MANAGER CARLSBAD FIELD 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.

Carlshad Controlled Water Basin

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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