

Submit to Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells) 30-025-31046
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. v-1655

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>				7. Lease Name or Unit Agreement Name Prairie Schooner AIF State	
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"/>					
2. Name of Operator Yates Petroleum Corporation				8. Well No. 1	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210				9. Pool name or Wildcat Vada Penn	
4. Well Location Unit Letter <u>C</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>5</u> Township <u>10 South</u> Range <u>34 East</u> NMPM <u>Lea</u> County					
10. Proposed Depth 10,200		11. Formation Bough C		12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 4254' GR		14. Kind & Status Plug. Bond Blanket		15. Drilling Contractor Undesignated	
16. Approx. Date Work will start ASAP					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.5# J-55	Approx. 380'	380 sacks	Circulate
12 1/4"	8 5/8"	32# J-55	Approx. 4025'	1500 sacks	Circulate
7 7/8"	5 1/2"	17# & 20# N-80	TD	As warranted	

We propose to drill and test the Bough C Formation and intermediate zones. Approximately 300' of 13 3/8" surface casing will be set with cement circulated to surface to shut off gravel and cavings. Approximately 4200' of 8 5/8" intermediate casing will be set with cement circulated to surface. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

Mud Program: Native mud to 380'; oil and brine to 4025'; fresh water to 7750' (Abo); SW Gel and 3% oil to 9500'; SW Gel, 3% oil, and starch to TD.

BOP Program: Installed on 8 5/8" casing and tested daily.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Clifton R. May TITLE Permit Agent DATE 10-24-90
TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use)

ORIGINAL SIGNED BY PERMIT AGENT
APPROVED BY _____ TITLE _____ DATE **OCT 26 1990**

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1983, Hobbs, NM 88240

DISTRICT II
P.O. Dunbar DD, Aztec, NM 88210

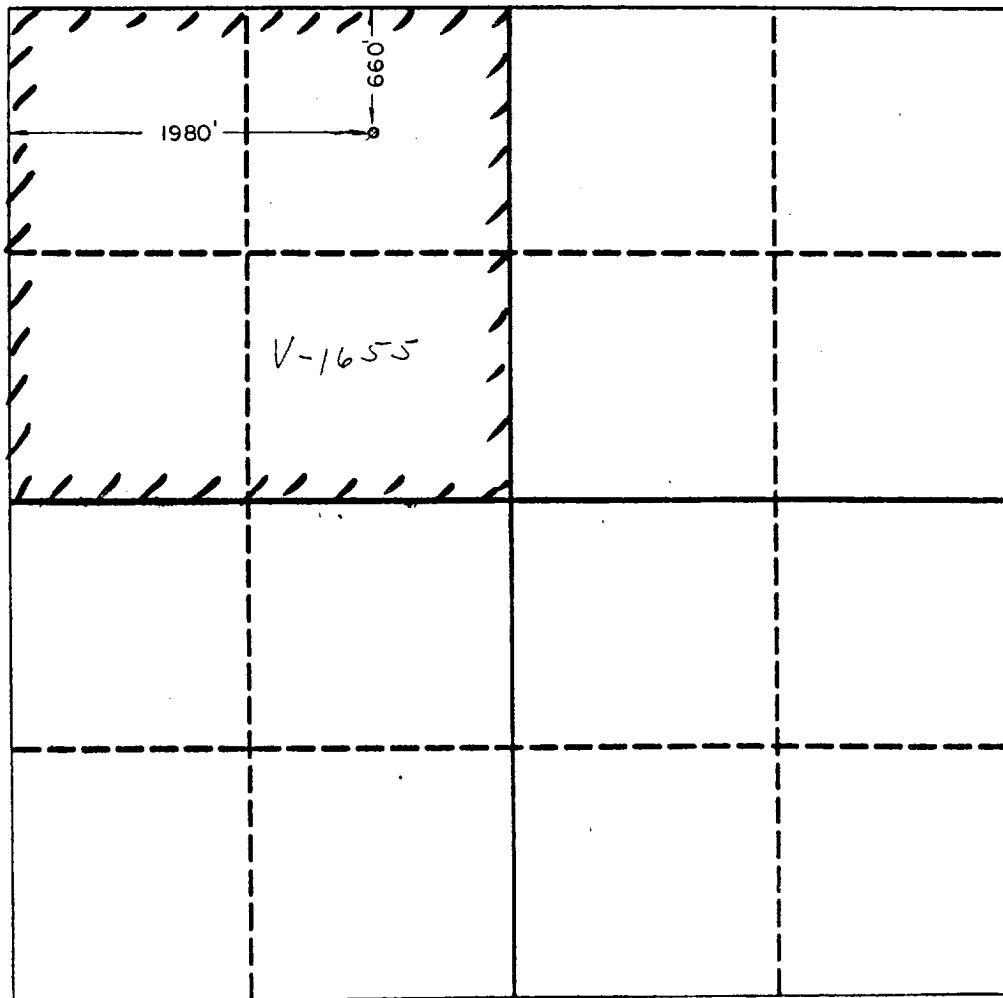
DISTRICT III
1000 Rio Arriba Ed., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease PRAIRIE SCHOONER "AIF" ST.			Well No. 1
Unit Letter C	Section 5	Township 10 South	Range 34 East	County NMFM		Lea
Actual Footage Location of Well: 1980 feet from the West line and 660 feet from the North line						
Ground level Elev. 4254	Producing Formation BOUGH C		Pool VADA PENN	Dedicated Acreage: 160 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or inkline marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and their descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

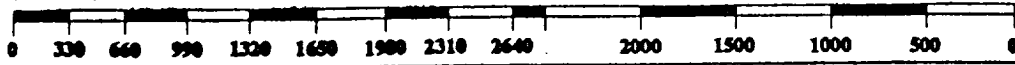


OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Clifton R. May*
Printed Name: Clifton R. May
Position: Permit Agent
Company: Yates Petroleum Corp.
Date: 10-23-90

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 10/18/90
Signature of Seal of Professional Surveyor: *[Signature]*
Certificate No. 4640



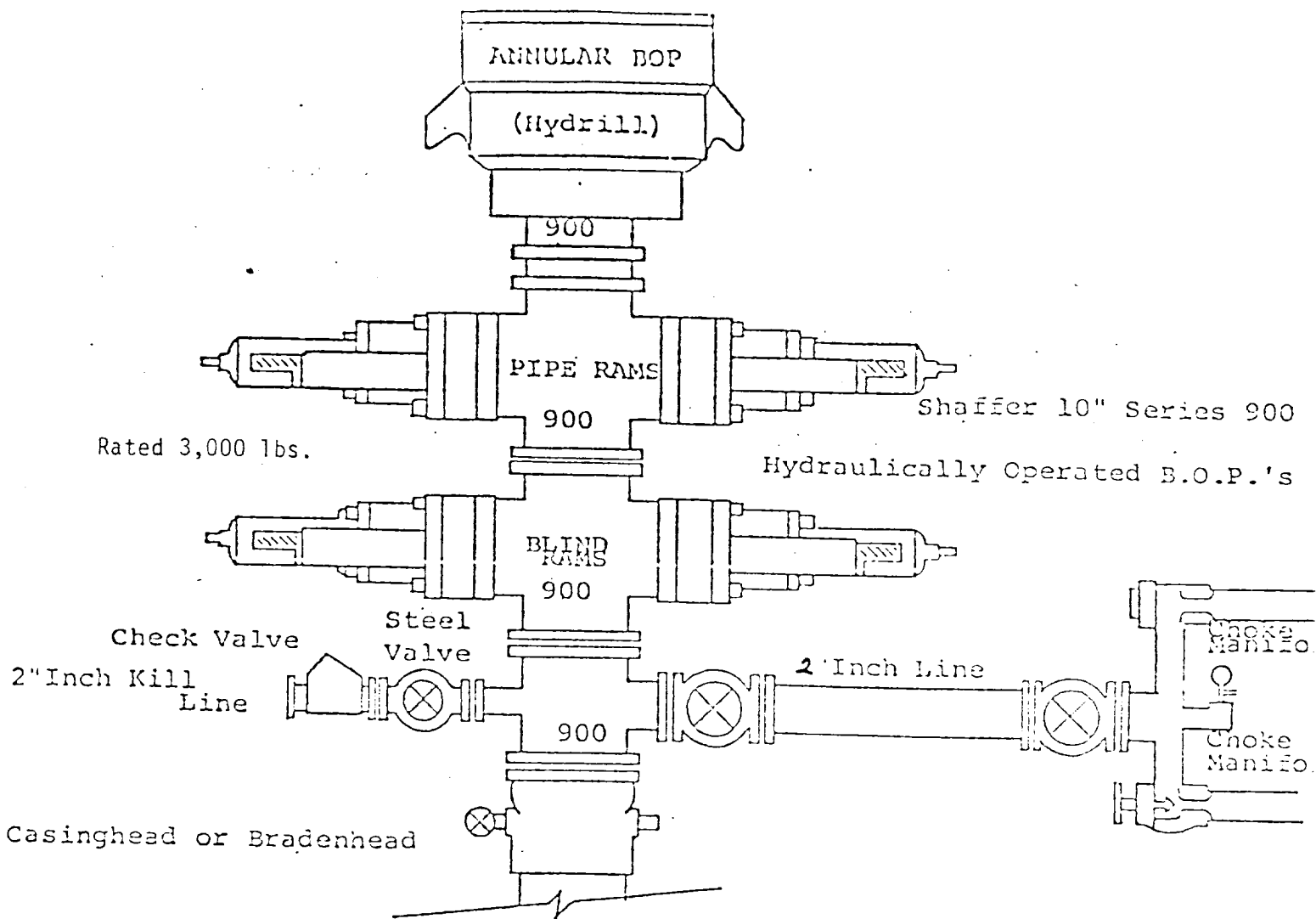
16 Oct 1 24 91

ELF

RECEIVED

OCT 25 1991

10:00 AM



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 2" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

Hand 1-24-91

ELF

RECEIVED

OCT 25 1991

10:00 AM