N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

Artesia, NM 88210

Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

RECEIVED

NOV 1 7 2005

0 OMB No. 1004-0136

Expires November 30, 2000 5. Lease Serial No.

NM-106906

APPLICATION FOR PERMIT TO	DDII I OD DEENT	_NOV 1 7 2005	6. If Indian, Allottee or Trib	e Name	
APPLICATION FOR PERMIT TO	Not Applic	able			
1a. Type of Work: DRILL	7. If Unit or CA Agreement	, Name and No.			
Ta. Typo of Work.	REENTER		Not Applic	able 28987	
_	·	_	8. Lease Name and Well No		
b. Type of Well: Oil Well X Gas Well Well	Singl Zone		Applesauce AZR	Federal #1	
2. Name of Operator	,		9. API Well No.		
Yates Petroleum Corporation $\frac{25575}{}$	1		30 -005-62	537	
3A. Address 105 South Fourth Street	3b. Phone No. (include	le area code 96542	10. Field and Pool, or Explo	*A	
Artesia, New Mexico 88210	(505)	748-1471	Pennsylvanian W	C GRANITE	
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 500' FNL and	990' FWL, Unit D				
At proposed prod. Zone Sam	e as above		Section 25, T11S-R2	7E	
14. Distance in miles and direction from nearest town or post office*			12. County or Parish	13. State	
Approximately twenty-five (25) miles northeast	of Roswell, New M	lexico	Chaves County	NM	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)				nit dedicated to this well 320 - N/2	
• • •	19. Proposed Depth	20 BIM/B	Bond No. on file		
 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 	6865'	1		NM-2811	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate dat	e work will start*	23. Estimated duration		
3754'		ASAP 30 Days			
	24. Attachme	nts			
The following, completed in accordance with the requirements of One	shore Oil and Gas Order N	o. 1, shall be attached to	his form:		
Well plat certified by a registered surveyor.	4. I	ond to cover the operati	ons unless covered by an existing	s bond on file (see	
2. A Drilling Plan.	I I	tem 20 above).			
3. A Surface Use Plan (if the location is on National Forest System I	ands, the 5. O	perator certification.			
SUPO shall be filed with the appropriate Forest Service Office.	6. S	uch other site specific inf	ormation and/or plans as may be i	required by the	
	a	uthorized office.			
25. Signature	Name (Print		Date	10/7/2005	

Regulatory Agent / Land Department Approved by (Signature) /S/LARRY D. BRAY

Name (Printed/Typed) /S/LARRY D. BRAY Title Office APPROVED FOR 1 YEAR ROSWELL 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.

Conditions of approval, if any, are attached.

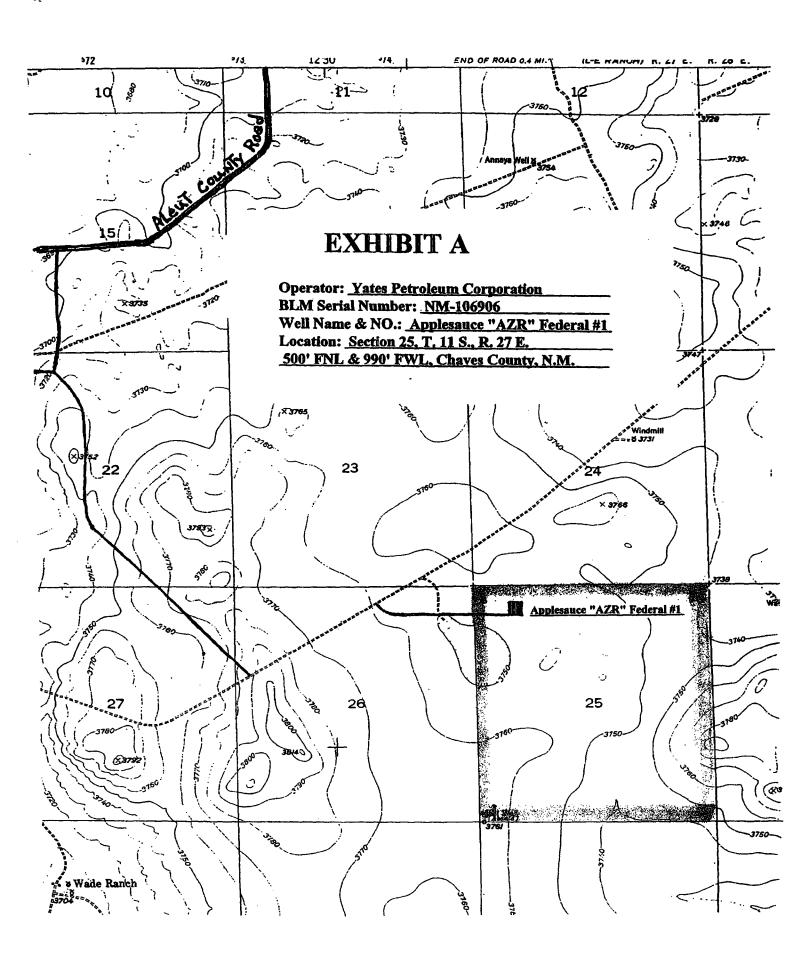
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Title:

C-144 Attached

Previously Approved

APPROVAL SUBJECT TO **GENERAL REQUIREMENTS AND** SPECIAL STIPULATIONS ATTACHED



YATES PETROLEUM CORPORATION Applesauce AZR Federal #1

500' FNL and 990' FWL Section 25-T11S-R27E Chaves County, New Mexico

Yates Petroleum Corporation plans to re-enter this well originally drilled by Maxus Exploration Company as the Newkumet Federal #1 and abandoned August 25, 1987. Yates' plan is to reenter the well with a pulling unit to drill out the cement plugs in the 8 5/8" casing and in the 7 7/8" open hole down to the original TD of 6,865'. The hole will be circulated clean then a string of 4 ½" casing will be run to TD and cemented to 4000' +/-. The well will be completed with a pulling unit and the formations to be completed will probably be the Penn Sand at 6,600', the Cisco at 6,310' or the Wolfcamp at 6,090'.

1. The estimated tops of geologic markers are as follows:

San Andres	1483'
Glorieta	2680'
Tubb	4147'
Abo	4921'
Wolfcamp	5243'
Penn	6353'
Mississippian	6600'
Devonian	6800'
TD	6865'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:

150'-500'

Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 3000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.
- 4. THE PROPOSED CASING AND CEMENTING PROGRAM:
 - A. Casing Program: (All New)

<u>Hole Size</u>	Casing Size	<u>Wt./Ft</u>	<u>Grade</u>	Coupling	<u>Interval</u>
17 1/2	13 3/8"	48#	H-40	ST&C	0-389'
12 1/4"	8 5/8"	24#	K-55	ST&C	0-1840'
7 7/8"	4 1/2"	11.60#	N-80	LT&C	0-6865'

Applesauce AZR Federal #1 Page 2

- 1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8
 - A. CEMENTING PROGRAM:

Surface Casing: 420 sx in place Intermediate Casing: 580 sx in place Production Casing: 1,000 sx. TOC 4000'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

This well will be drilled with a brine system.

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples out from under surface casing.

Logging: CNL/LDT, W/NGT TD-Surf csg; with CNL/GR up to Surf; DLL/MS

FL TD-Surf csg: BHC Sonic TD-SURF CSG

Coring: None

DST's: As warranted.

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:

Anticipated BHP:

From: 0 TO: 900' Anticipated Max. BHP: 375 PSI From: 900' TO: 6865' Anticipated Max. BHP: 2500 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 110 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 25 days to drill the well with completion taking another 20 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN Applesauce AZR Federal #1

500' FNL and 990' FWL Section 25-T11S-R27E Chaves County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 25 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east of Roswell on Highway 380 approx. 16 miles to Aleut Road. Turn right (South) and drive approx. 5.9 miles on main rd. (Continue south past Rock House Ranch sign.) Turn left (East) on lease road in front of Cooper Cattle Company sign and gate. Drive east approximately 0.8 of a mile (past dirt pit). Continue East at intersection. Drive approx. 0.6 of a mile to gate. Pass gate and drive on road approx. 0.7 of a mile to the Southwest corner of the location.

2. PLANNED ACCESS ROAD:

No new access road needed since there is an existing road to the location.

3. LOCATION OF EXISTING WELL:

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Dirt contractor will locate nearest pit and obtain any permits and materials needed for construction.

Applesauce AZR Federal #1 Page 2

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the reserve pits.

B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.

C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.

D. Oil produced during operations will be stored in tanks until sold.

E. Current laws and regulations pertaining to the disposal of human waste will be complied with.

complied with.

F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.

10. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.
- 11. SURFACE OWNERSHIP:

Thomas S. Cooper Las Cruces, New Mexico

A surface agreement has been reached with Mr. Cooper

12. OTHER INFORMATION:

A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.

B. The primary surface use is for grazing.

N MEXICO OIL CONSERVATION COMMI WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section Lease Well No. MAXUS EXPLORATION CO. 68860 Federal-New Kumet Township Section Unit Letter Nange County 11-S 27-E Chaves Actual Freting Location of Well: 500 North 990 West feet from the line did feet from the Ground Egyel Elev. Producing Formation Dedicated Acreage: 3754 40 1. Outling the acreage dedicated to the subject well by colored pencil or hackure marks on the plat below. 2. If more than one lease is dedicated to the well, outline ach and approximation ip thereof (body as to working interest and royalty). 3. Il more than one lease of different ownership is dedicated to the Lea 200 190 Interes is of all owners been e dated by communitization, unitization, force-pooling, etc? Q. C. D. ARTESIA, OFFICE Yes If answer is "yes;" type of consolidation If answer is "no," list the owners and tract 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 commentication forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commis-CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. James M. Pachulski Sr. Environmental & Regulation Engineer Сотралу Maxus Exploration Company June 5, 1987 on this plat was plotted from field knowledge and belief. Date Surveyed June 1, 1987 Registered Professional Engineer 6689

1320 -1650-

1980. 2310

2000

1500

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1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Luergy, Minerals & Natural Resources Department

Form C-102

Revised August 15, 2000

District II

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Submit to Appropriate District Office

District III

1000 Rio Brazos Rd., Astec, NM 87410

Santa Fe, NM 87505

State Lease - 4 Copies

Fee Lease - 3 Copies

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

5				AMENDED REPORT
WE	LL LOCATION AND	ACREAGE DEDICATION PLAT		
	² Pool Cods	² Pool Name	W	- GRANITE
		W		- 421411

¹ API Number	² Pool Code	² Pool Name	WC GRANITE				
		- Pennsylvanina					
⁴ Property Code	⁵ P	Well Number					
	Applesauce AZR Federal						
OGRID No.	10	'Elevation					
025575	Yates Petro	3754'					
	10 Su	rface Location					

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
D	25	115	27E		500'	North	990'	West	Chaves			
	11 Bottom Hole Location If Different From Surface											
UL or lot mo.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	Rasi/West line	County			
		<u> </u>	1	<u> </u>								
12 Dedicated Acres	¹³ Dodicated Acres 13 Joint or Infill 14 Consolidation Code 12 Order No.											
320	ļ											

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

		HOD OTHER THIS BELLETY		
200,				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is
0 %		,		true and complete to the best of my knowledge and
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990'	t		į	belief.
				Kura.
		NM-106906		Secreture
				Robert Asher
				Printed Nume
				Regulatory Agent
		Ì		Title
				09/08/2003
				Dete
				18 SURVEYOR CERTIFICATION
				SURVEX OR 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 belief.
				REFER TO ORIGINAL PLAT
				Date of Survey
				Signature and Seal of Professional Surveyor.

				Cartificate Number
			<u> </u>	

Form 3160-5 (August 1999)

UNITED STATE OIL CONS. DIV-DIST, 2
DEPARTMENT OF THE DIFFLOY. GRAND AVENUE
BUREAU OF LAND MAN SUPERIOR. GRAND AVENUE BUREAU OF LAND M.

FORM APPROVED OMB No. 1004-0135 Expires Inovember 30, 2000

SUNDRY NOTICES AND REPORTS ON WELL'S

NM-106906

Lease Serial No.

Do not use this form for proposals to drill or reenter an

6. If Indian, Allottee or Tribe Name

abandoned well.	Use Form 3160-3 (APD)	for such proposals	j.	Not Applicable
SUBMIT IN FRIEN	¢ArE=Otherinstru	clons on everse	side.	7. If Unit or CA/Agreement, Name and/o
1. Type of Well	B. C.			Not Applicable
Oil Well X Gas Well	Other	RECEIV	/FD	8. Well Name and No.
2. Name of Operator				Applesauce AZR Federal #1
Yates Petroleum Corporation	l	NOV 0:4	2004	9. API Well No.
3a. Address		3b. Phone No Cincled	ree (see)	30-005-62532
105 South Fourth Street, Arte	esia, NM 88210	(505) 748-1471		10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., 1	l., R., M., or Survey Descriptio	n)		Pennsylvanian
500' FNL and 990' FWL, Unit	ł D			11. County or Parish, State
Section 25, T11S-R27E				Chaves County, New Mexico
12. CHECK APPROI	PRIATE BOX(ES) TO IND	ICATE NATURE OF	NOTICE, REP	ORT, OR OTHER DATA
TYPE OF SUBMISSION		ТҮРЕ	OF ACTION	
Notice of Intent Subsequent Report	Acidize Alter Casing Casing Repair	Deepen Fracture Treat New Construction	Production Reclamatic	
Za Sussequent Lopers	Change Plans	Plug and Abandon	-	y Abandon APD
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disp	
13. Describe Proposed or Completed Operat If the proposal is to deepen directional Attach the Bond under which the work Following completion of the involved o Testing has been completed. Final Ab determined that the site is ready for final	ions (dearly state all pertinent det y or recomplete horizontally, give will be performed or provide the perations. If the operation results andonment Notices shall be filed inspection.)	tails, including estimated star subsurface locations and me Bond No. on file with BLM in a multiple completion or only after all requirements,	rting date of any pr assired and true ver MBIA. Required si recompletion in a n including reclamation	oposed work and approximate duration thereof, tical depths of all pertinent markers and zones, ubsequent reports shall be filed within 30 days ew interval, a Form 3160-4 shall be filed once on, have been completed, and the operator has
Yates Petroleum Corporation November 07, 2005.	n wishes to extend the	captioned well's Al	PD expiration	n date for one (1) year to
A drilling pit will be construct Corporation general plan ap		er Yates Petroleum	1	
Sources at Yates Petroleum they believe there will not be to meet the OCD's minimum	enough H2S anticipate requirements for the s	ed from the surface submission of a co	e to the Strav	n per Rule 118.
The State Engineers Web S	ite has been accessed	tor the captioned v	well. There w	vere no records found of

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title Debbie L. Caffall email: debbiec@ypcnm.com Regulatory Technician / Land Department Date October 7, 2004 Approved by Title Office 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 Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United Sales incitious or fraudulent statements or representations as to any matter within its jurisdiction.

ground water depth, water well, or any indication of any surface water in the area surrounding this well location.

Thank you.

1836 R. Brench Br., Hobbs, Mr. 86840 DISTRICT II
611 South First, Artesia, 104 26216 DISTRICT III ... 1000 Min Brazos Bil., Astao, 204 87410 DESTRICT IV 2040 South Pacheco, Santa Pe, MM 87606

سيمنف القال على منشد Boorgy, Minerale and Matural Resources Departmer

Bovised March 17, 1999

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 67504-2088

. CI AMENDED REPORT

		1	WELL LO	CATION	AND AC	REA	GE DEDICATIO	ON PLAT		
API	Humber		i	Pool Code	I			Fool Name		
		, —	L					lvanian	1 - 2.2.2	
Property (code		Ann1	0001100	Property "AZR" Fe				Well Mr	meek
OCEED N			Whhr	esauce	Operator				Elevel	ion
025575			YATE	S PETRO	LEUM COR	POR	ATION		37541	
		 			Surface					
IL or lot No.	Section	Township	Range	Lot Ma	Post from	the	North/Sogth line	Foot from the	East/Vost line	County
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State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

1625 N. French Dr., Hobbs, NM 88240

District II 811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

1220 South St. Francis Dr.

State Lease - 4 Copies

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

Santa Fe, NM 87505

Fee Lease - 3 Copies

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

AMENDED REPORT

٠,	API Number	•	1	* Pool Code	}	* Pool Name						
							Pennsylvo	anina				
⁴ Property (Code				⁵ Preperty	Name .		•	Well Number			
	1			Ар	plesauce A	ZR Federal		_	1			
OGRID	No.		Operator Name 'Blevatio									
02557	5		Yates Petroleum Corporation 3754'									
					¹⁰ Surface	Location						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
D	25	115	27E		500'	North	990'	West_	Chaves			
			¹¹ B	ottom Hole	e Location 1	If Different From	n Surface					
UL or lot no.	Section	Tewnship	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
12 Dedicated Acres	¹³ Joint o	r Infill I™ C	onsolidation	Cede 15 Ords	er No.	<u> </u>	L		<u> </u>			
320												

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A

NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION									
				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is					
				true and complete to the best of my knowledge and					
990'				RUMOU.					
		NM-106906		Signature Robert Asher					
				RODER ASREI					
				Regulatory Agent					
				Title					
				09/08/2003					
				J-400					
				18 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 belief.					
				REFER TO ORIGINAL PLAT					
				Date of Survey Signature and Seal of Professional Surveyor:					
				TO THE POST OF A TOTAL POST OF THE POST OF					
				Certificate Number					

N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

Form 3160-3

RECEIVED

Artesia, NM 88210

OMB No. 1004-0136 Expires November 30, 2000

NOV 1 2 2003 (August 1999)

UNITED STATES

OCD-ARTHESIA MENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

NM-106906

APPLICATION FOR PERMIT TO DRILL OR REENTER	6. If Indian, Allottee or Tribe Name
PPLICATION FOR PERMIT TO DRILL OR REENTER	Not Applicable

APPLICATION FOR PERMIT TO DE	6. If Indian, Allottee or Tribe Name Not Applicable					
la. Type of Work: DRILL X REE		7. If Unit or CA Agreement,	Name and No.			
			Not Applica	able		
	_ ~		8. Lease Name and Well No			
b. Type of Well: Oil Well X Gas Other Well	Single Zone	Multiple Zone	Applesauce AZR	Federal #1		
2. Name of Operator			9. API Well No.			
Yates Petroleum Corporation			30- 005-625			
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Artesia, New Mexico 88210	(505) 748-147	1	Pennsylvanian			
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At proposed prod. Zone same a	as above		Section 25, T11S-R2	7E		
14. Distance in miles and direction from nearest town or post office*			12. County or Parish	13. State		
Approximately twenty-five (25) miles northeast of	Roswell, New Mexico		Chaves County	NM		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No. of Acres in lease	17. Spacing Ur	nit dedicated to this well			
	1040	20 DIA/DIA	320 - N/2			
 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 	19. Proposed Depth 6865'	20. BLM/BIA	IA Bond No. on file NM-2811			
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will	start*	23. Estimated duration	23. Estimated duration		
3754'	ASAP		30 Days			
	24. Attachments					
The following, completed in accordance with the requirements of Onshor	e Oil and Gas Order No. 1, shall be	attached to this	form:			
1. Well plat certified by a registered surveyor.	4. Bond to cove	r the operations	s unless covered by an existing	bond on file (see		
2. A Drilling Plan.	Item 20 above	e).				
3. A Surface Use Plan (if the location is on National Forest System Land	s, the 5. Operator certi	fication.				
SUPO shall be filed with the appropriate Forest Service Office.	6. Such other sit authorized off	•	nation and/or plans as may be re	equired by the		
25. Signature	Name (Printed/Typed)		Date			
Tsaldil.	Robert Asher		ļ	9/8/03		
Title:		·				
Regulatory Agent						
Approved by (Signature) /S/LARRY D. BRAY	Name (Printed/Typed)	ARRY D.	BRAY Date	V 8-7 2063		
Title Assistant Field Manager, Lands And Minerals	Office ROSWELL I	FIELD OFFIC				
Application approval does not warrant or certify that the applicant holds operations thereon.	legal or equitable title to those righ	ts in the subject	lease which would entitle the a	pplicant to conduct		

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)

N.M. Oil Cons. DiV-Dist. 2 (August 1999) FORM APPROVED DEPARTMENT OF THE INTERIOR. Grand Avenue OMB No. 1004-0135 Expires Jnovember 30, 2000 BUREAU OF LAND MANA ARTOSIA, NM 88210 2002 5. Lease Serial No. RECEIVED **SUNDRY NOTICES AND REPORTS ON WELLS** NM-106906 OCD - ARTESIA not use this form for proposals to drill or reenter an 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. Not Applicable 7. If Unit or CA/Agreement, Name and/o SE PREZ EURATT IN TRIPLICATE - Other instructions on reverse side 1. Type of Well Not Applicable 8. Well Name and No. Oil Well X Gas Well Other Name of Operator Applesauce "AZR" Federal #1 Yates Petroleum Corporation API Well No. 30-005-625 3a. Address Phone No. (include area code) 105 South Fourth Street, Artesia, NM 88210 10. Field and Pool, or Exploratory Area (505) 748-1471 Location of Well (Footage, Sec., T., R., M., or Survey Description) Pennsylvanian 500' FNL and 990' FWL. Unit D 11. County or Parish, State Section 25, T11S-R27E Chaves County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Deepen Production (Start/Resume) Water Shut-Off Acidize Alter Casing Fracture Treat Reclamation Well Integrity Other Extend Subsequent Report Casing Repair **New Construction** Recomplete Change Plans Plug and Abandon Temporarily Abandon APD Final Abandonment Notice Convert to Injection Plug Back Water Disposal 13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days Following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) Yates Petroleum Corporation wishes to extend the captioned well's APD expiration date for one (1) year to October 23, 2003. APPROVED FOR 12 MONTH PERIOD Thank you. ENDING _Od 23 14. I hereby certify that the foregoing is true and correct Title Name (Printed/Typed) Regulatory Technician Robert Asher Date Signatu September 16, 2002 THIS SPACE FOR FEDERAL OR STATE Approved by

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Conditions of approval, if any, are attached. Approval of this notice 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



NEW EXICO ENERGY, M NERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

November 6, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Attention: Chuck Moran

cmoran@vpcnm.com

Telefax No. (505) 748-4572

TO OCD - ARIESIA

Administrative Order NSL-4663

Dear Mr. Moran:

Reference is made to the following: (i) Your application dated September 5, 2001 (application reference No. pKRV0-125449296); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Yates Petroleum Corporation's ("Yates") request for a non-standard gas well location to be applicable to any and all formations and/or pools from the surface to the base of the Strawn formation that are developed on 320-acre spacing and governed under the provisions of Division Rule 104.C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999. The N/2 of Section 25, Township 11 South, Range 27 East, NMPM, Chaves County, New Mexico is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit.

This unit is to be dedicated to the plugged and abandoned Maxus Exploration Company Newkumet Federal Well No. 1 (API No. 30-005-62532), to be redesignated the Applesauce "AZR" Federal Well No. 1, located 500 feet from the North line and 990 feet from the West line (Unit D) of Section 25.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

From the Division's records, this well originally drilled to a total depth of 6,865 feet to test the Devonian formation at a standard oil well location within a standard 40-acre oil spacing and proration unit comprising the NW/4 NW/4 (Unit D) of Section 25 in August, 1987. Also, in August, 1987 this well was plugged and abandoned.

It is our understanding that Yates now intends to reenter this well to a new plug-back depth sufficient to test down to the Strawn formation for gas.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location within this standard 320-acre gas spacing unit comprising the N/2 of Section 25 for gas production spaced on 320 acres from the surface to the base of the Strawn formation is hereby approved.

Administrative Order NSL-4663 Yates Petroleum Corporation November 6, 2001 Page 2

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia

U. S. Bureau of Land Management - Roswell

MEXICO OIL CONSERVATION COM ()N WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

MAXUS EXPLORATION CO.	, Led	se Fodoral-l	New-Rumet Jed	Well No.
Unit Letter Section Townsh		Range	County	X -40000
D 25	11-5	27-E	Chaves	
Actual Coatage Eucation of Well: 500 feet from the North	line æd	990	. (the West	
Ground Level Elev: Producing Formation	Poo	1	t from the	Dedicated Acreage:
3754' Devonion	W	ildrat Wa	merican	40 Acr
 Outline the acreage dedicated to If more than one lease is dedicated interest and royalty). If more than one lease of different 	ed to the well, or	utline each and ide	ntily the governmentip	thereof (bothing to working
dated by communitization, unitizati	on, force-pooling.	ote? O. ARTESIA	C. D.	JUNG 1987
No allowable will be assigned to the forced-pooling, or otherwise) or until sion.				
> V V S S S S S S S S S S S S S S S S S			Norme Jame: Position & Regui Company Maxus Date	certify that the information conterein is true and complete to the my knowledge and belief. M. Pachulski Sr. Environmental lation Engineer Exploration Company 5, 1987
			shown of notes of under makes of under makes of the knowled to the latest statement of the latest stat	June 1, 1987 d Professional Engineer and Surveyor Basul

DISTRICT I 1688 M. French Br., Hobba, Mr. 86840 DISTRICT II 211 South Phret, Artenia, NM 86210

DISTRICT III

State of New Mexico

Energy, Minerals and Natural Resources Departmen.

Form C-102 Revised Earch 17, 1999 Instruction on back Submit to Appropriate District Office

State Lease - 4 Captes For Lease - 3 Captes

1600 Rie Brusos Rd., Axtoc, RM 87410 DISTRICT IV 2046 South Pacheco, Santa Fe, RM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Peal Code	Poo	Pool Name		
		Pennsylvani	an		
Property Code	Pro	perty Name	Well Number		
	Applesauce "AZR"	Federal	#1		
OCED No.	Ope	retor Name	Klevation		
025575	YATES PETROLEUM	CORPORATION	3754		

Surface Location

UL er lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Fost from the	East/Vest line	County	
D	25	115	27E		500'	North	9901	West	Chaves	
Bottom Hole Location If Different From Surface										
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Bust/West line	County	
Dedicated Acre	Joint o	r infill Co	neolidation (Code Or	der Ro.					
320	1	[- [

NO ALLOWABLE WILL HE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

990	NM	-106906	OPERATOR CERTIFICATION I havely cartify the the information contained herein is true and complete to the best of my hardedge and belief. Data Perez Printed Name Regulatory Agent Title 9-11-01 Date SURVEYOR CERTIFICATION
			I hereby certify that the well location shown on this plat war plotted from field notes of actual surveys made by we or under my supervises, and that the same is true and servest to the best of my belief. Date Surveyed Highsture & Seal of Professional Surveyor Refer to original plat—attached. Certificate No. Herschel L. Jones RLS 3640 GENERAL SURVEYING COMPANY

N.M. C	Dil Cons. FilV-D		•	.013	
1301 ★ 1301		213.3		011	
Form 3160-3 (August 1999) POCD ARIESIA UNITED STATES DEPARTMENT OF THE IN BURE OF LAND MANAG APPLICATION FOR PERMIT TO DE 1a. Type of Well: Oil Well Gas Other	9510, 1 1821		0		
(August 1999) GO OCD CEIVED			OMB No. 1004-(0136	
ARTESIA UNITED STATES	•	Į	Expires November 3	0, 2000	
DEPARTMENT OF THE IN	NTERIOR		5. Lease Serial No.	-	
BURESO OF LAND MANAG	EMENT	-	NM-106906		
APPLICATION FOR PERMIT TO DE	RILL OR REENTER		6. If Indian, Allottee or Tribe		
			Not Applica 7. If Unit or CA Agreement.		
la. Type of Work: X DRILL REE	ENTER		_		
		91	Not Applica 8 Ease Name and Well No.	Die	
b. Type of Well: Oil Well Gas Other Well	Single Zone	Multiple Zonc	Applesauce "AZR" Fe	deral #1	
2. Name of Operator			9. API Well No.	2 X 2 3 Z	
Yates Petroleum Corporation 25575	31 51 31 31 31 31		30-005-18	rad Bah	
JA. Addiess 105 South Fourth Street	3b. Phone No. (include area cod	´ .	10. Field and Pool, or Explora	itory	
Artesia, New Mexico 88210 4. Location of Well (Report location clearly and in accordance with any	(505) 748-147	1	Pennsylvanian 11. Sec., T., R., M., or Blk, at	nd Survey or Area	
At surface 500' FNL and 99	·		71. Dec. 1., 10., 141., or Dik, an	io survey or Aica	
	is above		Section 25, T11S-R27	E	
14. Distance in miles and direction from nearest town or post office*			12. County or Parish	13. State	
Approximately twenty-five (25) miles northeast of	Roswell, New Mexico		Chaves County	NM	
15. Distance from proposed* location to nearest property or lease line, ft.	16. No. of Acres in lease	17. Spacing Un	Unit dedicated to this well		
(Also to nearest drig. unit line, if any) 18. Distance from proposed location*	1040 19. Proposed Depth	20 BLM/BIA	320 - N/2 A Bond No. on file		
to nearest well, drilling, completed, applied for, on this lease, ft.	6865'		NM-2811		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3754'	22. Approximate date work will ASAP	start*	23. Estimated duration 30 Days		
Former Mayus Expl Co	24. Attachments RO	SWELL CO	NTROLLED WATE		
The following, completed in accordance with the fourier person Onshor	e Oil and Gas Order No. 1, shall b	e attached to this	form:		
1. Well plat certified by a printer survey of 7 8 8	4. Bond to cove	er the operations	unless covered by an existing b		
2. A Drilling Plan. 070 6785	Item 20 abov	,	OII APE 30-	62532	
3. A Surface Use Plan (if the location is on National Forest System Land	1 -	~ t	ince!		
SUPO shall be filed with the appropriate Forest Service Office.	6. Such other si authorized of	~ ` ./	ation and/or plans as may be rec	quired by the	
25. Signature	Name (Printed/Typed)	nce. US	e New AN	<u> </u>	
25. Signature	Pat Perez		l Date	9/11/01	
Title:	l'attetez			3/1//01	
Regulatory Agent					
Approved by (Signature)	Name (Printed/Typed)	i jajak ji	DOC:	2 3 2001	
Title Acting 31.	IOffice	LL FIELD OF		FOR 1 YEAR	
Application approval does not warrant or certify that the applicant holds	legal or equitable title to those righ	nts in the subject l	ease which would entitle the ap	plicant to conduct	
operations thereon.					
Conditions of approval, if any, are attached.		1 '110 "			
Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make it a States any false, fictitious or fraudulent statements or representations as to			ike to any department or agency	of the United	
*(Instructions on reverse) APPROVAL SUBJECT TO					

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

11 - STANDARN Location

SUNDRY	NOTICES AND REPORTS or proposals to drill or to deepen or plug APPLICATION FOR PERMIT—" for such	ON WERE VED 88210	6. IF INDIAN, ALLOTTEE	OR TRIBE NAME
OIL GAS X	OTHER Dry Hole	May 13 8 25 AH '88	7. UNIT AGREEMENT NA	318
2. NAME OF OPERATOR		BUREAS DE LABORIST	8. PARM OR LEASE NAM	E
	MAXUS EXPLORATION COM		Newkumet Fed	eral
3. ADDRESS OF OPERATOR	P.O. Box 10397	AREA	B. WHLL NO.	-
	Midland, TX 79702	RECEIVED	1	
4. LOCATION OF WELL (Report le See also space 17 below.)	ocation clearly and in accordance with an	y State requirements.	10. FIELD AND POOL OF	WILDCAT
At surface		1992	Wildcat	
	500' FNL & 990' FWL	<u>, , , , , , , , , , , , , , , , , , , </u>	11. SEC., T., B., M., OR B SURVEY OR AREA	LE. AND
	300 FML & 330 FWL	O. C. D.		
		ATTESIA OFFICE	Sec. 25, T11S	
14. PERMIT NO.	15. ELEVATIONS (Show whether I	•	12. COUNTY OR PARISE	1
	3754* (GL	Chaves	New Mexico
16. Ch	eck Appropriate Box To Indicate	Nature of Notice, Report, or C	Other Data	
NOTICE	OF INTENTION TO:	SCBSEQ	SENT REPORT OF:	
TEST WATER SHUT-OFF	PULL OR ALTER CASING	WATER SHCT-OFF	REPAIRING W	PELL
FRACTURE TREAT	MULTIPLE COMPLETE	PRACTURE TREATMENT	ALTERING CA	SING
SHOOT OR ACIDIZE	ABANUON*	SECOTING OR ACIDIZING		174
HEPAIR WELL	CHANGE PLANS	(Other) Final Aband		X
(Other)		Note: Report results	of multipie completion (letion Report and Log for	on Well
17. DESCRIBE PROPOSED OR COMPL proposed work. If well i nent to this work.)	ETE: OPERATIONS (Clearly state all pertine a directionally drilled, give subsurface loc	out details and give pertinent dates	Including estimated date	a of stanting and
04-14-88 Surfac	ce reclamation complete a	nd ready for inspectio	n. Reclamation	1
_		perator-landowner agre	omont	

SIGNED Craig Mickleberry

(This space for Federal of State office use)

APPROVED BY CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any faise, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Form 1160-5 (November 1983) M. Office(875-33Commis DE	UNITED STATES PARTMENT OF THE INTERI	SUBMIT IN TRIPLICATES (Other instructions on reverse side)	Expires August 31, 1985 5 LEASE DESIGNATION AND BESIAL NO. C
Drawer DD Artosia, N. SUNDRY	BUREAU (LAND MANAGEMEN' NOTICES AND REPORTS (for proposals to drill or to deepen or plug ! "APPLICATION FOR PERMIT -" for such p	ON WELLS	NM 68860 6 IF INDIAR, ALLOTTER OR TRIBE NAME
OIL TS GAS T	APPERATOR FOR FEMALE - 10 COLUMN		7. UNIT AGREEMBNT NAME
3. ADDRESS OF OPERATOR P.O 4. LOCATION OF WELL (Report	US EXPLORATION COMPANY . Box 10397, Midland, TX location clearly and to accordance with any	SEP 24 '87 O. C. D. 79702 AMERICANA CONFICE State requirements.*	8. FARM OR LEASE NAME FENDERAL-Newkumet Fel. 9. WELL NO. 1 10. FIELD AND FOOL OR WILDCAT
See also space 17 below.) At surface		\wedge	Wildcat - Kind.
500' F	NL & 990' FWL	VI. 2	11. SUC., T., B., M., OR BLE. AND SUBVEY OR ARMA
14. PERMIT NO.	15 ELEVATIONS (Show whether D	F, RT, GR. etc.)	Sec. 25, T-11S, R-27E
	3754 GL		Chaves New Mexico
16. C	heck Appropriate Box To Indicate I	Nature of Notice, Report, or C	Other Data
Notice	OF INTENTION TO	scasequ	GENT REPORT OF:
TEST WATER SHUT-OFF	PULL OR ALTER CASING	WATER SHUT-OFF	REPAIRING WELL
FRACTURE TREAT	MULTIPLE COMPLETE	PRACTURE TREATMENT	ALTERING CASING
SHOOT OR ACIDIZA	ABANDON*	SHOOTING OR ACIDIZING	ABANDONMENT* X
REPAIR WELL (Other)	CHANGE PLANE	Other) (Norn: Report results Completion or Recount	of multiple completion on Well sletton Beport and Log form.
nent to this work.) *	is directionally drilled, give subsurface local control of the		
08-21-87 - 08-22-8	37 Logged well by Schlumbe	erger. Ran CNL-DLL w/	MSFL & FDC/Dipmeter.
08-22-87 - 08-24-8	37 WOO		
08-24-87	Ran Schlumberger RFT.	Samples @ 6805'-6808'	'-6811'-6817'-6825'
08-24-87 - 08-25-8	2800'-2700' 45 1890'-1790' 43	sx 6535'-6385'	
	440'-340' 28 surface 14 Class "A" pozmix cmt. ND BOP. Cut off csg. marker.	sx wt. 14.8 ppg yield l.: head. Weld on plate.	26 ft ³ /sk.
	Rig released @ 6:00 p.	m. 08-25-87	
18. I bereby certify that the f	Sen.	ior Drilling Engineer	09-02-87
SIGNEDCraig_	Mikleberry Title		DATE
(This space for Federal or	State office use)	APPROVED	/
APPROVED BY	TITLE	APPROVED	ER DITE
CONDITIONS OF APPRO	WAY IM ASSW.	PETER W.	311 T 2 1031
	as to plugging of the well bote, ider bond is retained until storation is completed.	SEP 1 8 198	
surface re	*See Instruction	ns on Reverse Side	AGEMENT

Title 18 U.S.C. Section 1001, makes it a crime for any person knowing 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.

Form 3160-4 (November 1983)

SUBMIT IN DUPLI

Form approved.
Budget Bureau No. 1004-0137

(formerly 9-330)	DEPAR	RTME	NTO	F IHE	E IN	L 011 Cor LEBIONE	₹	struct rever:	ther i	n 5 15100 000	1) 5	
						rtesia,		88210		NM 68		TIE OR TRIBB NAME
WELL CO		4 OK	KECO	MPLEII	ON	KEPOKIK	÷Ć	BW EGO	J "		_	
1a. TYPE OF WEL	L: 01	ELL	WELL] "	RY X	Other				7. UNIT AGRE	EMENT	NAMB
b. TYPE OF COM		EEP-	PLUG E	DIFF		Other	EP.	- 1 '89		S. FARM OR I	- EASE	NAMB
2. NAME OF OPERAT								- 40		Newkumet	Fe	deral
MAXUS	EXPLORATI	ON COM	PANY L				Ö. (C. D .		9. WELL NO.		
. Alidress of uper	RATOR					AR	TESIA	OFFICE		_ 1	L	
	Box 10397				79702					10. FIELD AND	D POOL	OR WILDCAT
4. LOCATION OF WEI			ly and in 1990'		with an	y State requir	emen	ita) *		Wild 11. SEC., T., R OR AREA		DALIA I. (1)
At top prod. int	erval reported	below								Sec. 25	т1	1-S, R-27-E
At total depth										_		
				l	BMIT NO.	. 1		ISSUED		12. COUNTY O	Æ	13. STATE
					Assig			-24-87		Chaves	10 -	New Mexico
5. DATE SPUDDED	16. DATE T.D.	REACHED	LT. DAT	E COMPL.	(Keaay t	o prog.) 18			P. RKI	3, RT, GE, ETC.)*	19. E	LEV. CASINGHEAD
8 - 5-87	8-21-8			<u> 8-25-</u>				754 GR		207124 700		CANA MOOLE
O. TOTAL DEPTH, MD	4 TVD 21. P	LUG, BACK	T.D., MD &	TV0 22	HOW M	TIPLE COMPL. IANY	•	23. INTE	LED B	Y	.85 1	CABLE TOOLS
6865' TD			_			-		<u> </u>	->	<u> </u>	1 25	. WAS DIRECTIONAL
, PRODUCING INTER	(VAL(S), OF TH	IS COMPLE	TION-TO	, BOTTOM,	NAME (MED AND TVUJ					-3	SURVEY MADE
None												No
3. TYPE ELECTRIC	ND OTHER LOGI	RUN								1	27. W	AS WELL CORED
CNL-DIL	w/MSFL,	FDC/Di	ipmete:	r, RFT						-		No
S.			CAS	ING RECO	RD (Rep	ort all string	e ect	in well)				
CASING SIZE	WEIGHT, LI	B./FT.	DEPTH SI			LE SIZE	1		ENTI	G RECORD		AMOUNT PULLED
13-3/8"	48#		38	91	17-	-1/2"	Circ. to Surface					
8-5/8"	24#		184				to	Surface				
9.		LINER	RECORD	,			<u> </u>	30.		TUBING RECO	ORD	
BIZE	TOP (MD)		M (MD)	SACKS CI	EMENT [®]	SCREEN (M	D)	SIZE		DEPTH SET (M		PACKER SET (MD)
		-				-		NONE	, -			
		-						HOME				
1. PERFORATION REC	ORD (Interval,	size and	number)			32.			. FRA	CTURE, CEMENT	SQU	EEZE, ETC.
						DEPTH IN		L (MD)		AMOUNT AND KIN	0 0 0 1	(ATERIAL DOSD
						NON	E					
									<u> </u>		1	<i>C</i>
						ļ					<i>[3</i>]	
3.*					PRO	DUCTION			<u> </u>		<u>!</u>	Allo
ATR FIRST PRODUCT	ION PRO	DUCTION	METHOD (Flowing, g		ump ing size	and i	tupe of pur	np)	WELL	STATU	8 (Producing or
	}				• • •	1	ACCE	PIED FOR		sku	STATU	RYA
ATE OF TEST	HOURS TESTE	р і сн	OKE SIZE	PROD'S	N. FOR	GL-BBL.	TE	R WaCk	FCT	D T BBL	1.7h_	GAS-OIL BATIO
	!				PERIOD	1 T			. 23 /	EK	13	}.
LOW. TUBING PRESS.	CASING PRESS		LCULATED HOUR BAT	016	B81	GAS	ΪŰĠ	3 0 19	WATE	R-BE.	OIL O	MAIS LASI (CORP.)
4. DISPOSITION OF G	AB (Bold, used f	or fuel, ve	inted, etc.			BURFAL	25.			TEST WITHES	SED B	ī
. LIST OF ATTACH	HENTS					BUREAU	ĔII.	AND MA	NAG.	EMENT		· ·
6. I bereby certify	that the forego	ing and a	attached i	nformation	is comp	lete and corr	ect a	s determin	ed fro	m all available r	ecords	
	N-	بدر			A	res Dril	14-	a S	rine	anden+	Α -	
SIGNED				TI?	TLE 🐣	TCG DITT	 	5 Supe	TUI	CHUCHL DATE	, <u>A</u> U	igust 21, 198

Devonian	San Andres	FORMATION	37. SUMMARY OF POdrill-stem, tests, i recoveries):
6800	1878	dol	ROUS ZONES: (Sincluding depth in
70	2030	BOTTOM	now all important terval tested, cu
Dolomite - Wet	Mechanical Sidewall Cores - 9 total Recovered Dolomite w/Anhydrite inclusions. Limestone, Anhydrite; very slight show of oil.	DESCRIPTION, CONTENTS, ETC.	SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):
Abo Wolfcamp Pennsylvanian Mississippian Devonian	KB San Andres Glorieta Tubb	NAME	38. GEO!
4921 5243 6353 6600 6800	3753 ASL 1483 2680 4147	MEAS. DEPTH	GEOLOGIC MARKERS
		TRUE TRUE TRUE	

Ferm 3160-5 (November 1983) (Formerly 9-331	DEPAR	UNITED STA	TES NE INTER	M OSUMMASIN GARALESI OR Good Dide:	ρη 5. ι	ENGRET BUTCHUM Expires August SASS DESIGNATION A	11, 1985
	BUR	EAU JE LAND MA	NAGEMENT	rtesia, NM 860		M-68860	
(I)o not u	SUNDRY NO	OTICES AND R	EPORTS C		0. 1	F INDIAN, ALLOTTER	OR TRIBE NAME
	Use "APPL	ICATION FOR PERMI	(- ter suce pr	opotats.)		FIT AGREEMENT HAD	
	GAS []						••
WELL A	WELL . OTHE					PARM OR LEASE HAM!	
						NEWKUMET-FEI	NED AT
MAXUS EX.	PLORATION CO	MPANI		RECEIVED		WHIL NO.	ERAL
P.O. Box	10397, Mid	land, TX 7	9702	RECEIVED	j	1	
4. LOCATION OF	ELL (Report location	n clearly and in accor-		State requirements.	10.	FIELD AND POOL, OL	WILDCAT
See also space At surface	17 Delow.)			AUG 28 '87]	Wildcat	- Dec
	500' FNL &			HUO ZO OT	11.	SURVEY OR ARMA	E. AND
	-	'-11-S, R-27-#		O. C. D.	- {		
	Chaves Cou	nty, New Mexi	co			ec. 25, T-11-	
14. PERMIT NO.		1		RT, GR. etc. ARPESIA, OFFICE	12.	COUNTY OR PARISE	
		3	754' GL			Chaves	NM
16.	Check	Appropriate Box 1	To Indicate N	lature of Notice, Report, a	or Other	Data	
	NOTICE OF IS					ESPORT OF:	
	نسخ			1			
TEST WATER PRACTURE TO	iI	PULL OR ALTER CAS		WATER SHUT-OFF FRACTURE TREATMENT	_	REPAIRING W	<u>~~</u>
SHOOT OR AC		ABANDON®		SHOOTING OR ACIDIZING	!	ALTERING CA ABANDONMEN	·····
REPAIR WELL	 !	CHANGE PLANS		(Other) Set & Tes	t 8 5		X
(Other)				(NOTE: Report res	uits of m	ultipie completion of Report and Log for	n Well
17. DESCRIBE PROP	POSED OR COMPLETED	OPERATIONS (Clearly 8	tate all pertinen	t details, and give pertinent da	tes, inclu	ding estimated date	of starting any
08-08-87	Drill to 190	00' with 10.1	ppg brine	water			
	with 330 sad Tail in with Circ. approx	eks 35/65 pozm n 250 sacks C1	ix "C" co ass "C" c cks to pi	casing. Land @ 18 ntaining 9# salt/sa ement containing 2% t. NU BOP and WOC ld Okay.	ick and cc ai	d ¼#/sack ce nd ¼#/sack c	lloflake. elloflake.
				from 2250' to 1840' countered higher th			r Chester
signed Cr	haig Micklebe		TITLE Se	nior Drilling Engin Secretary	neer_	DATE08-18	-87
frus space I	or Federal or State	Amuse file)	,	ACCEPTED FOR RECORD PETER W. CHESTI	ER		
APPROVED I	BY	P AWY.	TITLE	PEICK W. C.		DATE	
CONDITIONS	OF APPRUVAL, I	F ARI:		AUG 24 1987			
		≜ C.	- 1	h- p c-1		1	

mager marcau no. 1004-0135

*See Instructions on Reverse Side
BUREAU OF LAND MANAGEMENT
BUREAU OF LAND MANAGEMENT
Title 18 U.S.C. Section 1001, makes it a crime for any person knowing the production of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Fcrm 3160-5 (November 1983 (Formerly 9-33	i) DEPAR BUR SUNDRY NO	UNITED STATES TOF THE I EAU OF LAND MANAGE OTICES AND REPO OPPORATE TO GEOPPE LICATION FOR PERMIT	NTERIOR GEMENT ORTS ON	ta, NM 8821U WELLS	5.	Expires August 3 LEASE BESIGNATION A NM-68860 IF INDIAN, ALLOTTEE	ND COLLAL NO
OIL X	GAS OTHE		Tot Saca propor	-	7.	URIT AGRESMENT HAN	8
2. HAMB OF OPE					- B	PARM OR LEASE HAME	
S. ADORESS OF						EWKUMET-FEDE	RAL
4. LOCATION OF See also spac At surface	well (Report location 17 below.) 500' FNL & Sec. 25, T-	dland, TX 79702 on clearly and in accordance 990' FWL 11-S, R-27-E, ty, New Mexico	with any State			Wildcat - BBC, T. R. M., OR BL SURVEY OR ARMA	Dev.
	Chaves Coun			AUG 28 '87		Sec. 25, T-11	-
14. PERMIT NO.		15 BLEVATIONS (Show 3754 GL		O. C. D. ARTESIA, OFFICE	12	Chaves	NM
16.	Check	Appropriate Box To Inc	dicale Natur		r Othe	r Data	
	NOTICE OF I	TENTION TO:	ı	âUBE	EQUENT.	REPORT OF:	
TEST WATER	SHUT-OFF	PULL OR ALTER CASING		WATER SHUT-OFF		BEPAIRING W	ILL
PRACTITE T	REAT	MULTIPLE COMPLETE		PRACTURE TREATMENT		ALTERING CAS	ING
RHOOT OR A	CIDIZE	ABANDON*		SHOOTING OR ACIDIZING	ٔ لِــــٰ	ABANDON MENT	
REPAIR WEL	ı []	CHANGE PLANS	i	(Other) Spud &		CASING	X
(Other)		operations (Clearly state a		Completion or Reco	upletion	Report and Log form	D.)
08-05-87 08-06-87	Drilled to Ran 10 jts by Dowell w and 2% gel.	ig #6. Spud @ 6: 395' K.B. 13 3/8", 48#, H-4 with 420 sacks Cla Circ. approxima (ipple-up BOP. Te	40, ST&C cass "C" ce	easing. Landed @ment containg 2% wacks to pit. Wa	cc, iting	划/sack cell g on cement f	oflake, or
08-08-87	Drilled to	870 '.					
18. I hereby cert	that the foregoli	ng is true and correct					
SIGNED Cr	aig Micklebe		rum <u>Senri</u> ins. secr	o Drilling Engin	eer	DATE August	18, 1987
	for Federal or State	office use)		ACCEPTED FOR RECORD ETER W. CHESTER			
APPROVED CONDITIONS	BY S OF APPROVAL, I		rue P	LIDIC O. CHADIDA		DATE	
				AUG 24 1987	1		

BUREAU OF LAND MANAGEMENT
Title 18 U.S.C. Section 1001, makes it a crime for any person knowings will resource AREA
United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions on Reverse Side

Form 3160-3 (November 1983) (formerly 9-331C)

SIZE OF HOLE

17½"

12½"

7 7/8"

NM Oil Cons Drawer DD (Other instructions on

30-005-62532 Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

Artesia, NM regesziele)

DEFARTMENT OF THE I	5. LEASE DEBIGNATION	AND SERIAL NO.		
BUREAU OF LAND MANAC	NM-68860			
APPLICATION FOR PERMIT TO DRILL, I	DEEPEN, OR PLUG BA	\CK	6. IF INDIAN, ALLOTTES	OR TRIBE NAME
DRILL XX DEEPEN	PLUG BACK		7. UNIT AGEREMENT NA) MESS
D. TYPE OF WELL OIL XK GAS OTHER	SINGLE XX NULTIPLE	<u> </u>	S. FARM OR LEASE NAM	~
2. NAME OF OPERATOR			-Federal -Ne	wkumet ted
Maxus Exploration Company			9. WELL NO.	
3. ADDRESS OF OPERATOR	KECEIVED BY		#60060 <u>1</u>	-
P.O. Box 2530, Mills, Wyoming 82644	•		10. FIELD AND POOL, OF	WILDCAT
4. LOCATION OF WELL (Report location clearly and in accordance of At HULLIGE 500' FNL 990' FWL NW	th any fifthe tompirements.")		Wildcat _	٠٠٠٠٠
500' FNL 990' FWL NW	NW GOE %3 1301		11. SEC., T., R., M., OR B	
At proposed prod. sone	O. C. D. ARTESIA, OFFICE		Sec. 25, T	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POS	T WITCH		12. COUNTY OR PARISH	18. STATE
16 miles southeast of Roswell, New Me	exico.		Chaves	New Mexic
13. DISTANCE FROM PROPOSED® LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any)	16. NO. OF ACRES IN LEASE		F ACRES ASSIGNED 118 WELL 40	
18. DISTANCE FROM PEOPOSED LOCATIONS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. РЕОРОЯЕD DEPTH 6,850'		tary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,754 GR			July 1, 198	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 13 3/8" 350° Circulate to surface <u>48#</u> 8 5/8" 2,250 Est. 550 sxs. CIRCULATE 24# 6,850 15.5# Est. 350 sxs.



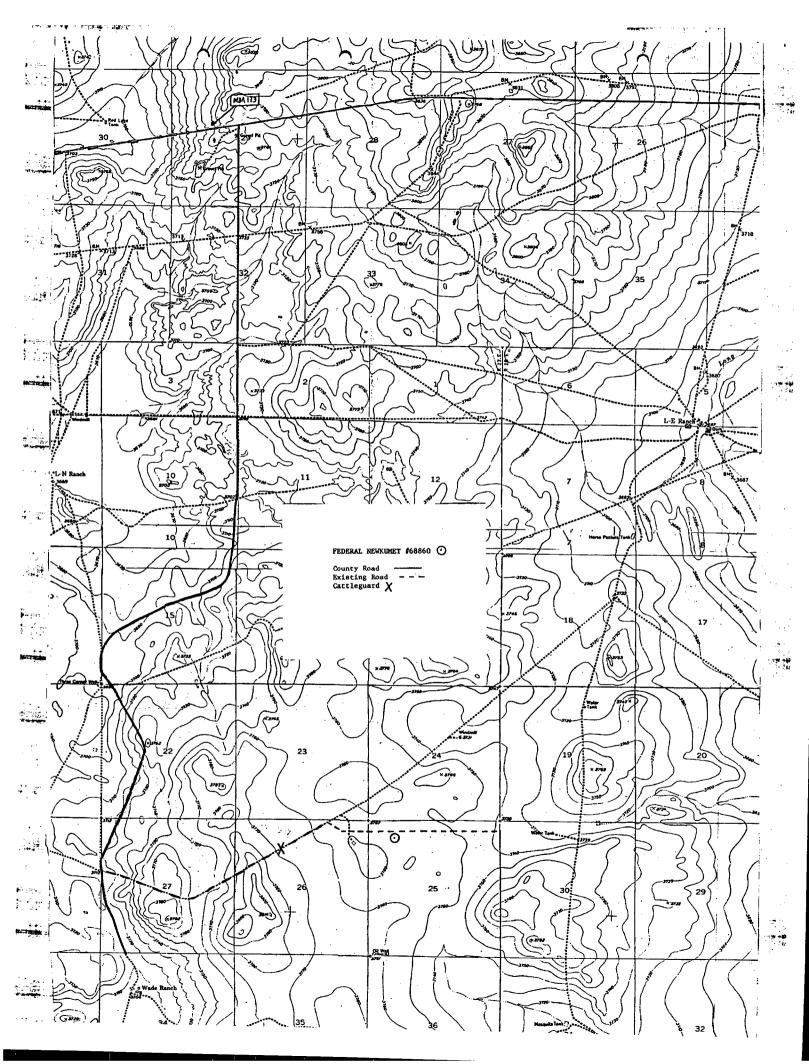
State office use)	THIS Regulation Engineer	
State omce use)		
	ADDROVAL DATE	
S/Levi Deike, Acting	TITLE Area Manager	JUL 2 4 1987
ROVAL OF THIS APPLIC	ATION DOES NOT WARRANT OR	
	S/Levi Deike, Acting ROVAL OF THIS APPLICATIFY THAT THE APPLICA	S/Levi Deike, Acting TITLE Area Manager ROVAL OF THIS APPLICATION DOES NOT WARRANT OR TIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE

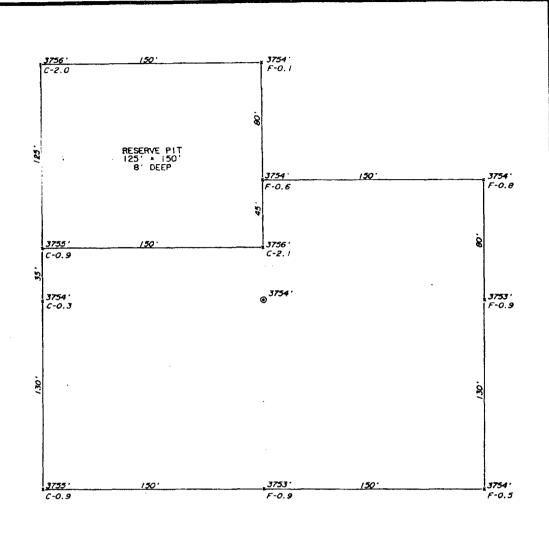
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and william to make to any department or any United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Knowingly all NS THEREON ake to any department or agency of the

W MEXICO OIL CONSERVATION COMMI ON WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

		All distances must be from		the Section.	[w.u.v.
Operator MAXUS	EXPLORATION (Federal-	New-Kumet 🗦 🎉	Well No. 68860
linit Letter	Section 25	Township 11-S	Range 27-E	County	
Actual Pootage Loc	,	North line and	990	West	_
Ground Level Elev:	Producing For	mation Fe	ool ,	t from the	line Dedicated Acreage:
3754'			Acid on iva		40 Acres
1. Outline th	e acreage dedica	ted to the subject well	by colored pencil o	or hachure marks on th	e plat below.
2. If more th	an one lease is	dedicated to the well,	outline ach and ide	ntily the general ip the	percod (bodyes to working
interest ar	id royalty).			1/3	2000
				Advel 98 Interests of	all owners been consoli-
dated by c	ommunitization, i	mitization, force-pooling	j 0.	C. D.	JUNG TO THE
Yes	☐ No If a	nswer is "yes," type of c	consolitation ARIESI	A. OFFICE	1987 4
		owners and tract descrip	tions which have a	ctually been consolid	ated. (Use reverse side of
}	f necessary.) ble will be assign	ed to the well until all is	iterests have been	consolidated (by com	magitization unitization.
forced-poo					approved by the Commis-
sion.					
50	1				CERTIFICATION
990'	∮ ₫			. I hereby	certify that the information con-
	4		1	f i	rein is true and complete to the your while you will be a second belief.
	Ì		ì	10	m P. U. W.
A _ A _ A	→ → → +			Nome	· · · · · · · · · ·
	i		i	Position	M. Pachulski Sr. Environmental
	1		1		ation Engineer
	i t		į	Compony Maxus E	xploration Company
	1			Date June 5	. 1987
	i				
	i I		1	I herahu	certify that the well location
	1		j	11	this plot was plotted from field
			1	1 1	actual surveys made by me or supervision, and that the same
	·			is true	and correct to the best of my
L	+ -			knowledg	e and belief.
	• 1		i		: N <u>=</u>
	1		1	Date Survey	une 1, 1987
	!		1	Registered	Professional Engineer
			(1	and or Land	
				Hay Certificate	1 D. Boswell
0 330 660	90 1320 1650 198	30. 2310 2040 2000	7	soo o Certificate	6689





PROPOSED WELL PAD FOR

MAXUS EXPL. CO. / FEDERAL-NEW NUMET #68860

500' FNL & 990' FWL

SECTION 25, T-11-S, R-27-E,

CHAVES COUNTY, NEW MEXICO.

Dirt Quantities

Pad File = 894 cu. yds. Pad Cut = 864 cu. yds. Pit Cut = 5,764 cu. yds.

				1
NO	REVISION		DATE	BY
SUF	. BY:	_	8.R.B.	
DRAWN BY: P.A.O.				
APF	R. BY:	D.R.K.		

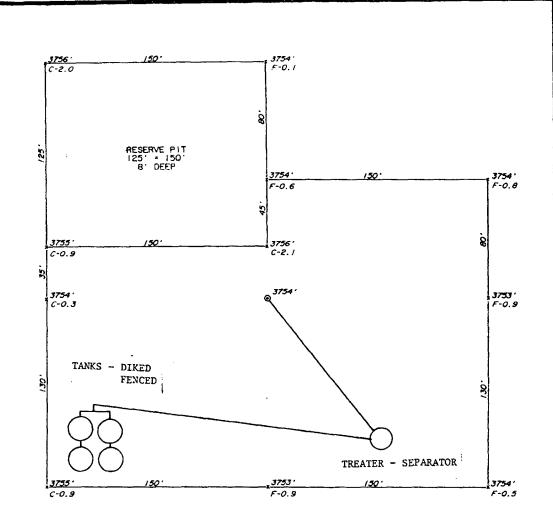
MAXUS EXPLORATION CO.

MILLS, WYOMING

TOPOGRAPHIC LAND SURVEYORS

MIDLAND, TEXAS

/* = 50°
JUNE 3, 1987
· 58942
NUMBER:
OF



PROPOSED WELL PAD FOR

MAXUS EXPL. CO. / FEDERAL-NEW KUMET #68860

500' FNL & 990' FWL

SECTION 25, T-11-S, R-27-E,

CHAVES COUNTY, NEW MEXICO.



DIAGRAMB

SUR. BY: B.R.B. SURVEY & MAPPING BY DRAWING NUMBER! DRAWN BY: P.A.D. TOPOGRAPHIC LAND SURVEYORS	NO REVISION	DATE BY	MAXUS EXPLORATION CO.	SCALE: /* * 50' DATE: JUNE 3, 1987 JOB NO.: 58942
DRAWN BY: P.A.D. TOPOGRAPHIC LAND SURVEYORS	SUR. BY:	B.R.B.	SURVEY A MAPPING BY	DRAWING NUMBER
	DRAWN BY:	P.A.D.	TOPOGRAPHIC LAND SURVEYORS	
APPR BY: D.R.K. MIDLAND, TEXAS SHEET OF	APPR. BY:	D.R.K.		

DRILLING PROGRAM

Federal-Newkumet #68860 NW/NW, Sec. 25, T115, R27E Chaves County, New Mexico



1. ESTIMATED FORMATION TOPS

FORMATION	DEPTH
Queen	900
San Andres	1,450'
San Andres Porosity	2,030'
Glorietta	2,750'
Tubb	4,120'
Abo	4,950'
Wolfcamp	5,700'
Mississippian	6,580'
Devonian	6,740'
T.D.	6,850

2. ESTIMATED DEPTH OF WATER, OIL, GAS OR MINERALS

Gas & Oil: Gas and oil are expected in the Devonian Formations.

Water: Ground water is anticipated to approximately 500'. Some brackish water sands could possibly exist below this level, however the hydrostatic head of the drilling fluid will safely contain these waters within their formations.

3. PRESSURE CONTROL EQUIPMENT

- A. Refer to Diagram A.
- B. Minimum pressure ratings on any and all B.O.P. or related control equipment will be 3,000 psi.
- C. B.O.P. stack will be pressure tested to working pressure of B.O.P. or 70% yield on surface pipe prior to drilling out of surface casing. The stack will then be checked on each trip to insure workability.
- D. Hydraulic B.O.P. controls will be located on the accumulator and rig floor. Manual controls will be located on the B.O.P.