

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
 105 South Fourth Street, Artesia, New Mexico 88210 (505)748-1471

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 660' FSL and 200' FEL, Sec. 24-T21S-R31E, Eddy County, NM
 At proposed prod. zone
 660' FSL and 660' FWL, Sec. 19-T21S-R32E, Eddy County, NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 38 miles northeast of Loving

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
 320

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
 8500' TVD

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3636' GR

22. APPROX. DATE WORK WILL START*

5. LEASE DESIGNATION AND SERIAL NO.
 NM-31375

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Bonneville "AKK" Federal

9. WELL NO.
 2

10. FIELD AND POOL, OR WILDCAT
 West Lusk Delaware

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 24-T21S-R31E

12. COUNTY OR PARISH **13. STATE**
 Eddy NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	850'	Circulate - 850 sacks
12 1/2"	8 5/8"	32.0#	4350' TVD	Circulate - 2800 sacks
7 7/8"	5 1/2"	17 & 20#	TD	Circulate

Yates Petroleum Corporation proposes to directionally drill this well and test the Delaware formations. Will drill vertically to 850' and set 13 3/8" casing and circulate to surface. Continue vertically to our kick off point of 3200'. Directional drill to a TVD of 4350'. Run Intermediate casing to 4350' and circulate cement. Continue Directionally drilling to TD of 8500' TVD. If determined to be commercial, run production casing to TD and circulate cement, perforate and stimulate as needed for production.

MUD PROGRAM: Native mud to 850'; Brine to 4500' TVD; cut Brine to TD.

BOP PROGRAM: BOPE will be installed on the surface casing and tested daily for operational.

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 3-25-92
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

**YATES PETROLEUM CORP.
 BEFORE EXAMINER CATANACH
 NMOCD CASE NOS. 10460/10461
 DATE: 04/02/92
 EXHIBIT NO. 2-A**

to Appropriate
 Office
 Lease - 4 copies
 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 1980, Hobbs, NM 88240

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

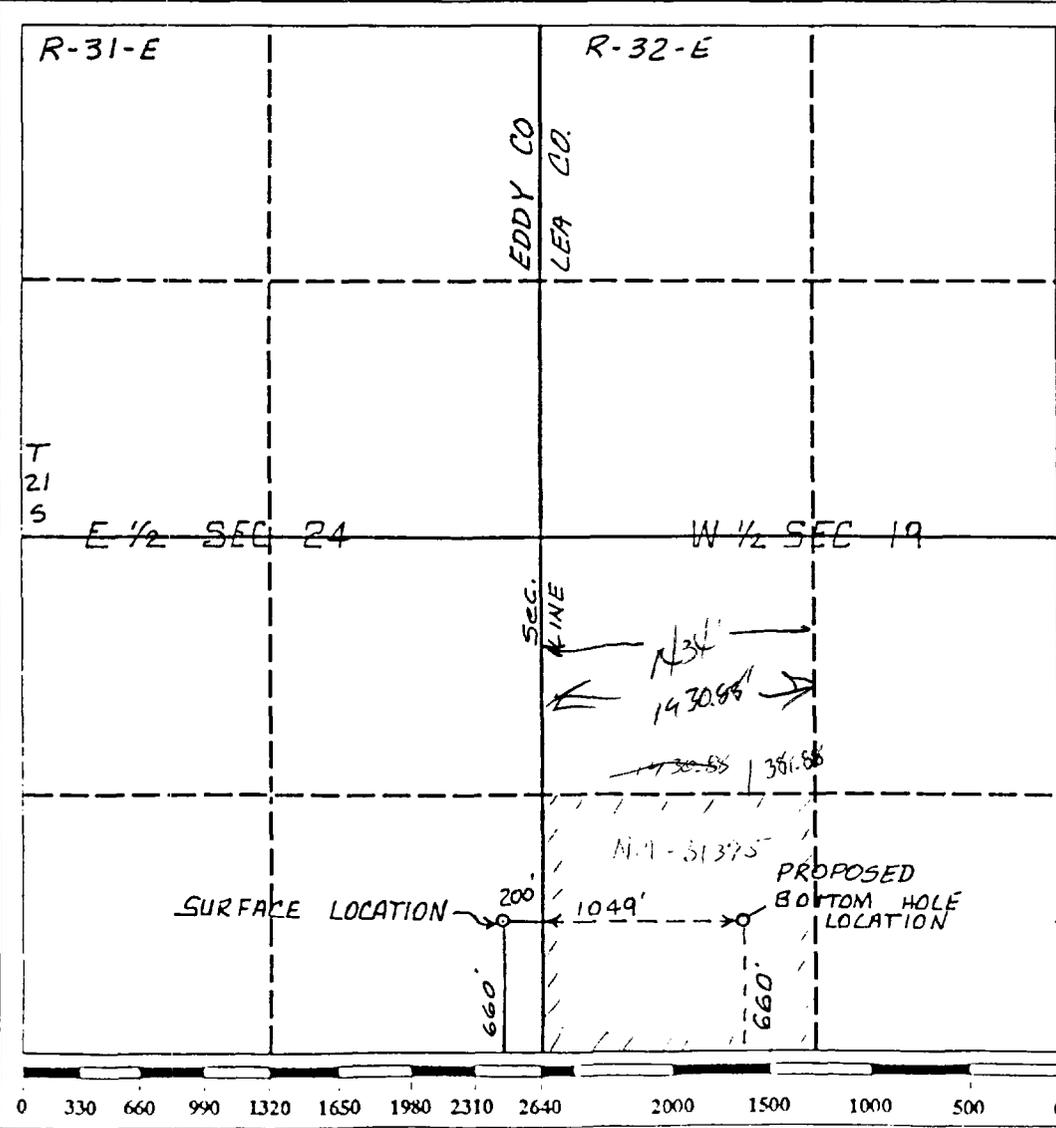
Operator YATES PETROLEUM CORPORATION			Lease BONNEVILLE AKK FEDERAL		Well No. 2
Unit Letter P	Section 24	Township 21 SOUTH	Range 31 EAST	County SEE BELOW	
Actual Footage Location of Well: SURFACE LOCATION					
660 feet from the SOUTH line and		200 feet from the EAST line			
Ground level Elev. 3636	Producing Formation DELAWARE	Pool WEST LUSK DELAWARE	Dedicated Acreage: 40 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 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 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 Corporation**

Date: **March 25, 1992**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes on 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: **MARCH 18, 1992**

Signature & Seal of Professional Surveyor: *[Signature]*

DAVID EDDY
 NEW MEXICO
 8112
 PROFESSIONAL SURVEYOR

