

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)748-147

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  
 1980' 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

16. NO. OF ACRES IN LEASE  
 320

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 40

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  
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7. UNIT AGREEMENT NAME  
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8. FARM OR LEASE NAME  
 Bonneville "AKK" Fee

9. WELL NO.  
 3

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  
 Eddy

13. STATE  
 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 production zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blow prevention 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

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 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

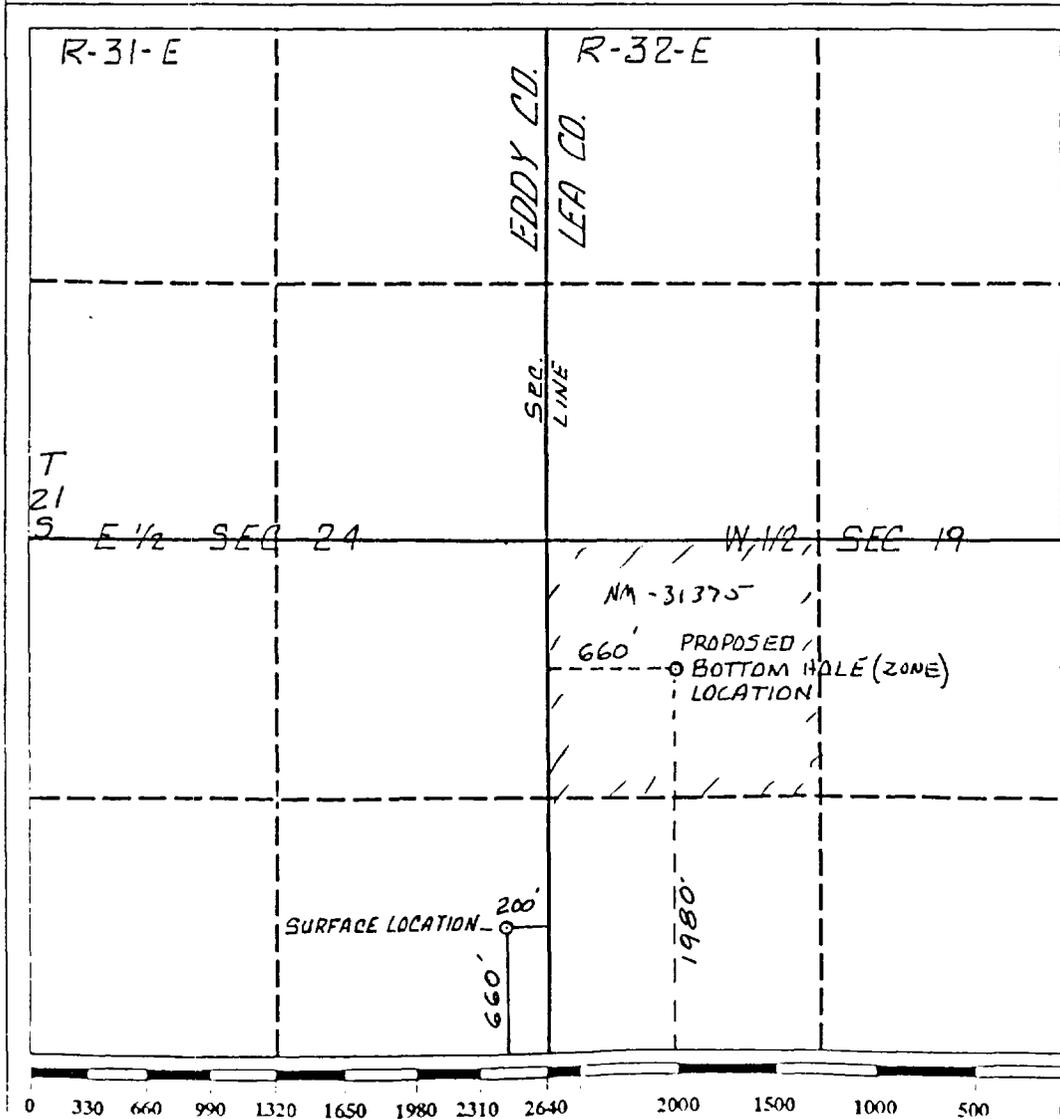
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>BONNEVILLE AKK FEDERAL</b>		Well No. <b>3</b>
Unit Letter <b>P</b>	Section <b>24</b>	Township <b>21 SOUTH</b>	Range <b>31 EAST</b>	County <b>NMPM SEE BELOW</b>	
Actual Footage Location of Well: <b>SURFACE LOCATION</b>					
<b>660</b> feet from the <b>SOUTH</b> line and		<b>200</b> feet from the <b>EAST</b> line			
Ground level Elev. <b>3636</b>	Producing Formation <b>DELAWARE</b>	Pool <b>WEST LUSK DELAWARE</b>	Dedicated Acreage: <b>40</b> 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 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: **MARCH 18, 1992**

Signature & Seal of Professional Surveyor: *MARCEL R. BODDY*

Certificate No.: **5112**

**NM PROFESSIONAL ENGINEER**