

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

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

SEP 05 '90

API NO. (assigned by OCD on New Wells)

30-015-26466

5. Indicate Type of Lease

STATE FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL RE-ENTER 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, NM 88210

4. Well Location

Unit Letter M : 725 Feet From The West Line and 660 Feet From The South Line

Section 12 Township 20S Range 24E NMPM Eddy County

10. Proposed Depth

8100'

11. Formation

Cisco Canyon

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3602'

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 |
|--------------|----------------|-----------------|---------------|-----------------|------------|
| 14-3/4" | 9-5/8" | 36# J-55 | 1200' | 925 sx | Circulated |
| 8-3/4" | 7" | 26# & 23# | TD | 400 sx | |
| | | N-80 | | | |

We propose to drill and test the Cisco Canyon and intermediate formation. Approximately 1200' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial production casing will be ran and cemented with adequate cover, perforated and stimulated as needed for production.

Mud Program: FW Gel/LCM to 1200'; FW to 3400'; cut brine to 7200'; SW Gel/Starch to TD.

BOP Program: BOP's will be installed on the 9-5/8" casing and tested daily.

This is a non-standard location and application for approval will be made to NMOCD in Santa Fe. We wish to proceed with our plans while awaiting approval.

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 Ken Beardemphl TITLE Landman DATE 9-5-90

TYPE OR PRINT NAME Ken Beardemphl TELEPHONE NO.

(This space for State Use) ORIGINAL SIGNED BY
 MIKE WILLIAMS
 SUPERVISOR, DISTRICT II

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: Pending NSL Approval

SEP 6 1990

APPROVED BY NMOCD IN SUFFICIENT
 THIS DATE IN COMMENTING THE
9/5/8 CASING