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RECEIVED BY
OCT 13 1983
O. C. D.
ARTESIA, OFFICE

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

5A. Indicate Type of Lease
 STATE FEDERAL
 5. State Oil & Gas Lease No.
 LG-2726

2. Name of Operator
 Yates Petroleum Corporation ✓
 3. Address of Operator
 207 S. 4th, Artesia, New Mexico 88210
 4. Location of Well
 UNIT LETTER J LOCATED 1650 FEET FROM THE South LINE
 AND 1980 FEET FROM THE East LINE OF SEC. 30 TWP. 20S RGE. 28E

7. Unit Agreement Name
 8. Farm or Lease Name
 Stonewall "YE" St.
 9. Well No.
 1
 10. Field and Pool, or Wildcat
 Under Delaware

17. Locality
 Eddy

19. Proposed Depth
 appr. 4900'
 19A. Formation
 Delaware
 20. Rotary or C.T.
 Rotary

21. Elevations (Show whether DF, RT, etc.)
 3268' GL
 21A. Kind & Status Plug. Bond
 Blanket
 21B. Drilling Contractor
 LaRue Drilling #2
 22. Approx. Date Work will start
 ASAP

23. 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"	48#	550'	550 sx	circ
12 1/4"	8 5/8"	24-28#	2500'	1500 sx	circ
7 7/8"	5 1/2"	17-20#	TD	650 sx	tie to 8 5/8"

Propose to test the Delaware and intermediate formations with surface casing being set at approximately 550' and the intermediate casing at approximately 2500' (100' below the Capitan Reef). If commercial pay is encountered, 5 1/2" casing will be run and the well stimulated as needed.

MUD PROGRAM: FW/water loss additives to TD.

BOP PROGRAM: BOP's will be installed on the intermediate casing & tested.

APPROVAL VALID FOR 180 DAYS
 PERMIT EXPIRES 1-14-84
 UNLESS DRILLING UNDERWAY

Post ID-1
 10-14-83
 [Signature]

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.

Signed [Signature] Title Regulatory Agent Date 10/12/83

(This space for State Use)

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTOR DATE OCT 14 1983

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient time to witness cementing

the 8 5/8" casing

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

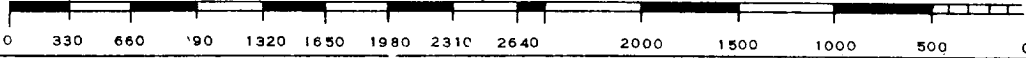
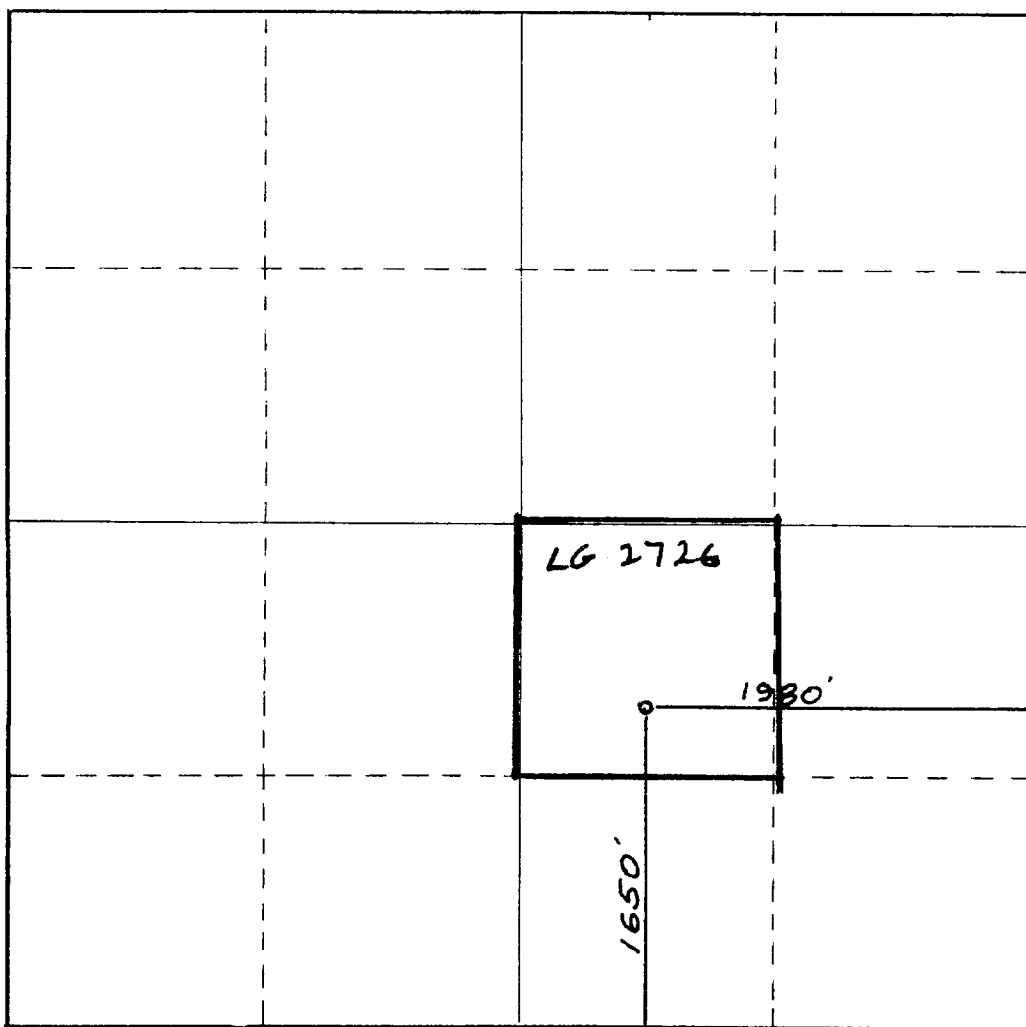
Operator YATES PETROLEUM CORPORATION		Lease Stonewall YE State			Well No. 1
Unit Letter J	Section 30	Township 20 South	Range 28 East	County Eddy	
Actual Footage Location of Well: 1650 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 3268.	Producing Formation Delaware	Pool Hondo, Del.	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Gliserio Rodriguez
Name
GLISERIO RODRIGUEZ
Position
REG. AGT.
Company
YATES PET. CORP.
Date
10-12-83

Dan R. Reddy
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
October 10, 1983
Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.
NM PE&LS #5412

EXHIBIT B
BOP DIAGRAM
RATED 3000#

