

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
LG-4429

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL DEEPEN O. C. D. ARTESIA OFFICE 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. Location of Well
UNIT LETTER F LOCATED 1980 FEET FROM THE North LINE
AND 1980 FEET FROM THE West LINE OF SEC. 11 TWP. 9S RGE. 26E NMPM

7. Unit Agreement Name
Desert Rose Unit

8. Farm or Lease Name
Desert Rose Unit

9. Well No.
3

10. Field and Pool, or Wildcat
S. Pecos Slope Abo

12. County
Chaves

19. Proposed Depth
5300'

19A. Formation
Abo

20. Rotary or C.T.
Rotary

21. Elevations (show whether DF, HT, etc.)
3840.6' GR

21A. Kind & Status Plug. Bond
Blanket

21B. Drilling Contractor
Walters Drilling Rig #5

22. Approx. Date Work will start
ASAP

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24# J-55	Approx. 1000'	550 sacks	Circulate
7-7/8"	4-1/2"	9.5# J-55	TD	300 sacks	

We propose to drill and test the Abo and intermediation formations. Approximately 1000' of surface casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 1000', brine to 4400', starch to TD

BOP PROGRAM: BOP's will be installed at the offset and tested daily

Post 10#1
NL & API
2-19-88

GAS NOT DEDICATED

APPROVED FOR 120 DAYS
8-18-88
M. J. WILLIAMS, SUPERVISOR

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.

Signed Cy Cowan Title Regulatory Agent Date February 17, 1988

(This space for State Use)

Original Signed By
Mike Williams

APPROVED BY Oil & Gas Inspector TITLE _____ DATE _____

FEB 18 1988

CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-4-85

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

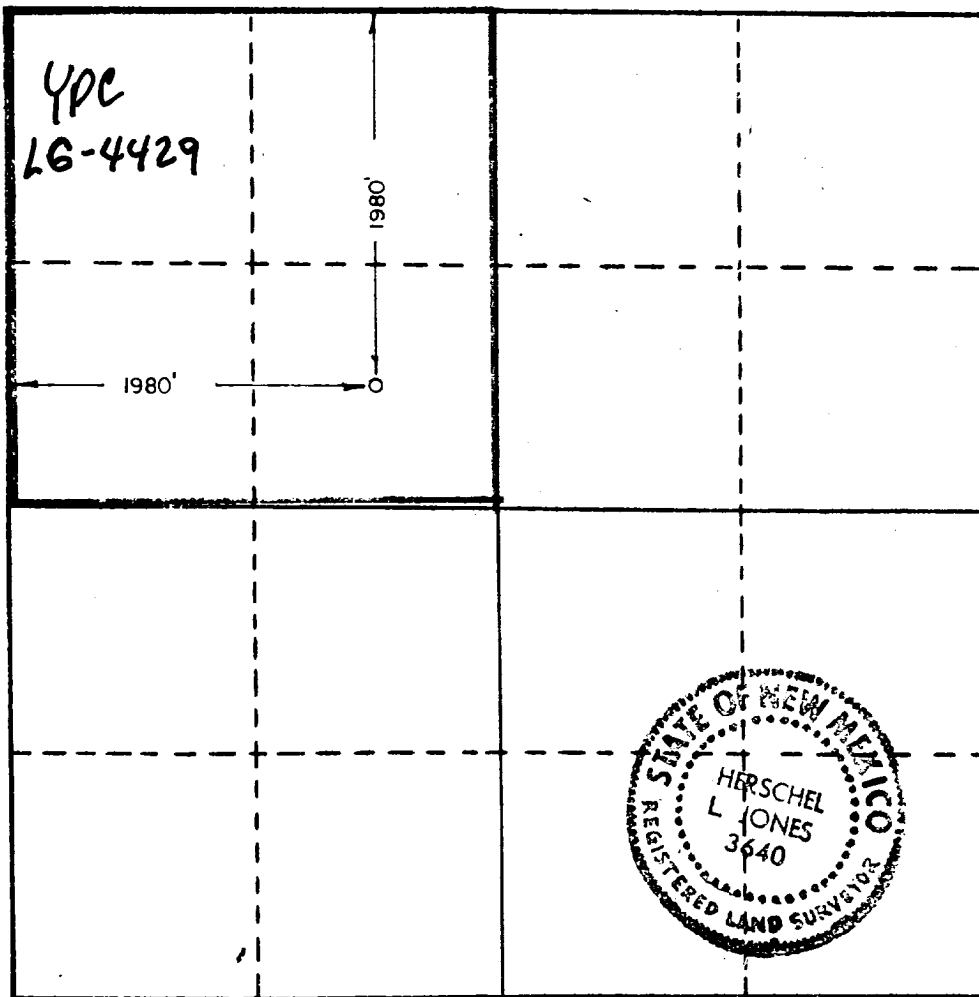
Operator YATES PETROLEUM CORPORATION			Lease DESERT ROSE UNIT		Well No. 3
Unit Letter "F"	Section 11	Township 9 South	Range 26 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the West line					
Ground Level Elev. 3840.6	Producing Formation ABO		Pool S. Pecos Slope ABO	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 *unitized*

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.

Cy Cowan

Name
Cy Cowan

Position
Regulatory Agent

Company
Yates Petroleum Corporation

Date
February 17, 1988

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
February 16, 1988

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
Certificate No. **3640**



EXHIBIT B

BOP DIAGRAM

RATED 3000[#]

