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OPERATOR	<input checked="" type="checkbox"/>

5A. Indicate Type of Lease  
STATE  FEDERAL   
5. State Oil & Gas Lease No.  
IG-5246

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work  
b. Type of Well DRILL  DEEPEN  PLUG BACK   
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 K LOCATED 1650 FEET FROM THE South LINE  
AND 2310 FEET FROM THE West LINE OF SEC. 21 TWP. 10S RGE. 27E NMPM

7. Unit Agreement Name  
8. Farm or Lease Name  
Pathfinder AFT State  
9. Well No.  
3  
10. Field and Pool, or Wildcat  
Undes. Diablo San Andres

12. County  
Chaves

19. Proposed Depth  
2200'  
19A. Formation  
San Andres  
20. Rotary or C.T.  
Cable Tool

21. Elevations (show whether DF, RT, etc.)  
3839.5' GR  
21A. Kind & Status Plug. Bond  
Blanket  
21B. Drilling Contractor  
C & J Cable Tool  
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
12-1/2"	8-5/8"	24# J-55	Approx. 600'	300 sacks	Circulate
8"	5-1/2"	14# J-55	TD	300 sacks	

We propose to drill and test the San Andres formation. Approximately 600' 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.

POST ID #1  
NL & API  
8-19-88

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 2/18/89  
UNLESS DRILLING UNDERWAY

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 Clifton R. May Title Permit Agent Date August 17, 1988

(This space for State Use)

APPROVED BY Mike Williams Original Signed By Mike Williams TITLE Permit Agent DATE AUG 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 1-4-65

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

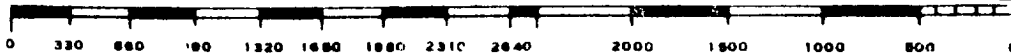
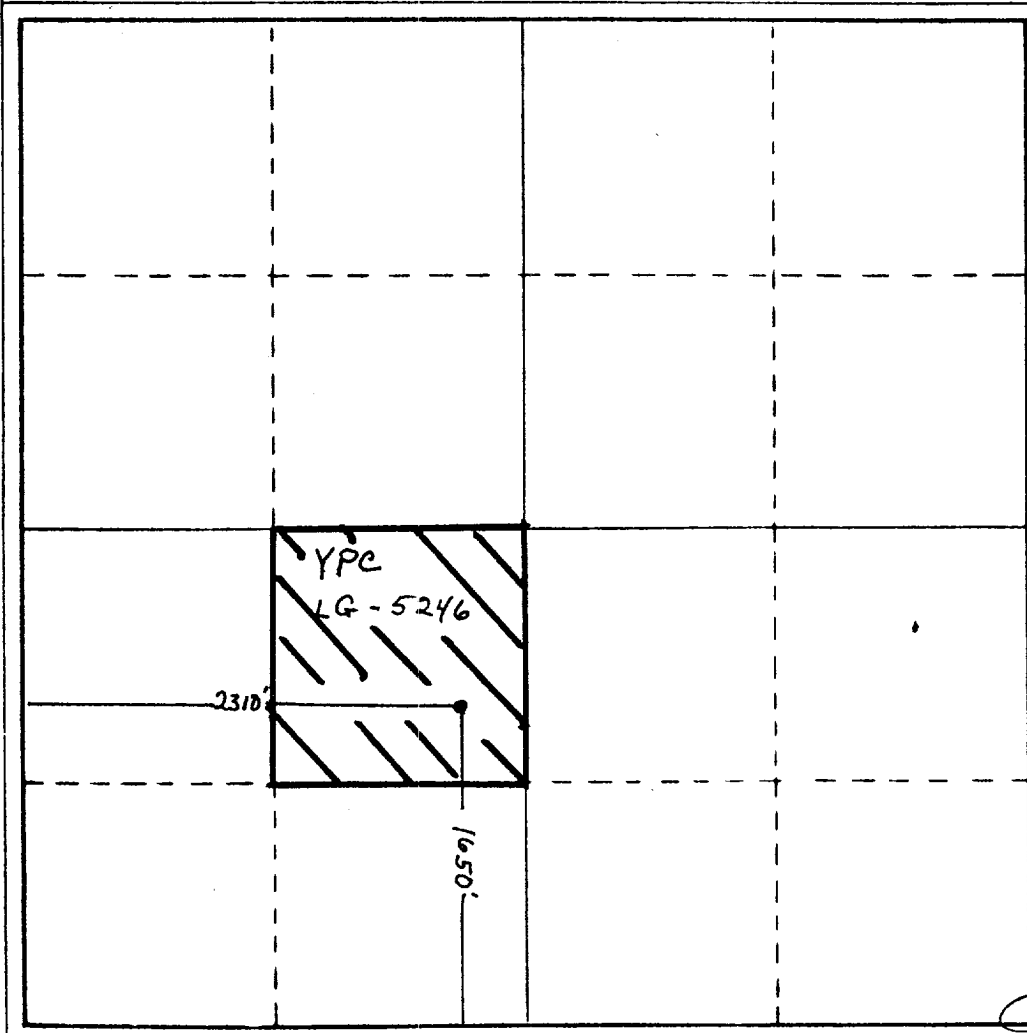
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>PATHFINDER AFT STATE</b>		Well No. <b>3</b>
Unit Letter <b>K</b>	Section <b>21</b>	Township <b>10S</b>	Range <b>27E</b>	County <b>CHAVES</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>South</b> line and <b>2310</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3839.5</b>	Producing Formation <b>SAN ANDRES</b>		Pool <b>UNDESIGNATE DIABLO SAN ANDRES</b>		Dedicated Acreage: <b>40</b> 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.

*Clifton R. May*

Name <b>Clifton R. May</b>
Position <b>Permit Agent</b>
Company <b>Yates Petroleum Corporation</b>
Date <b>August 17, 1988</b>

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
Registered Professional Engineer and/or Land Surveyor <b>HERSCHEL JONES</b> <b>3640</b>
Certificate No. <b>6640</b>