

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

State of New Mexico
En Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

RECEIVED
OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088
MAR 13 1990

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

O. C. D.
ARTESIA, OFFICE

API NO. (assigned by OCD on New Wells) 30-005-62725
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG - 5246

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Pathfinder "AFT" State
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Well No. 7
2. Name of Operator Yates Petroleum Corporation	9. Pool name or Wildcat Diablo San Andres
3. Address of Operator 105 South Fourth Street, Artesia, New Mexico 88210	
4. Well Location Unit Letter <u>F</u> : <u>2310</u> Feet From The <u>North</u> Line and <u>1650</u> Feet From The <u>West</u> Line Section <u>21</u> Township <u>10 South</u> Range <u>27 East</u> NMPM Chaves County	

10. Proposed Depth 2100'	11. Formation San Andres	12. Rotary or C.T. Cable Tool
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13. Elevations (Show whether DF, RT, GR, etc.) 3835 GR	14. Kind & Status Plug. Bond Blanket	15. Drilling Contractor Undesignated	16. Approx. Date Work will start ASAP
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17. 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. 600'	400 sacks	Circulate
7-7/8"	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, perforate and stimulate as needed for production.

MUD PROGRAM: That which is used in cable tool operation.

NOTE: There is an existing gas well located in this quarter-quarter. Yates is the operator of this well and a copy of the plat has been filed. The well is located 1980' FNL and 1980' FWL. This well is marked on Exhibit A.

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.

*Part ID-1
3-16-90
New Loc 4
API*

APPROVAL VALID FOR 100 DAYS
PERMIT EXPIRES 9/14/90
UNLESS DRILLING UNDERWAY

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

SIGNATURE Clifton R. May TITLE Permit Agent DATE 3-13-90

TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use)

ORIGINAL SIGNED BY
MIKE WILLIAMS
SUPERVISOR, DISTRICT II

APPROVED BY _____ TITLE _____ DATE MAR 14 1990

CONDITIONS OF APPROVAL, IF ANY:

IL CONSERVATION DIVISIO

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

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

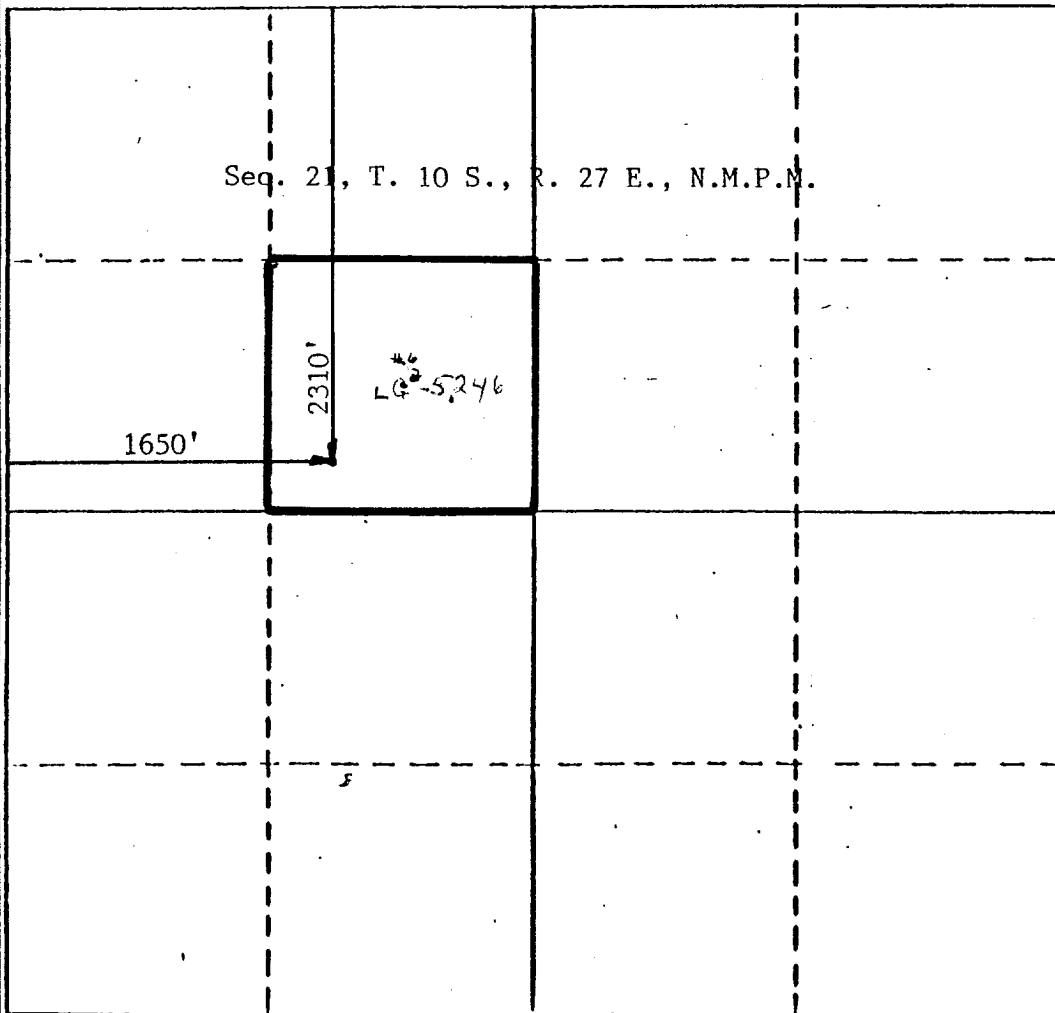
Operator Yates Petroleum Corp.		Lease Pathfinder AFT State		Well No. #7
Unit Letter F	Section 21	Township 10 South	Range 27 East	County Chaves
Actual Footage Location of Well:				
2310 feet from the North		line and	1650 feet from the West line	
Ground Level Elev. 3835	Producing Formation SAN ANDRES	Pool DIABLO SAN ANDRES		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 Division.



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
Clifton R. May
Position
Permit Agent
Company
Yates Petroleum Corporation

Date
3-13-90

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.

JOHN D. JAQUSS
NEW MEXICO
Date Surveyed
March 12, 1990
Registered Professional Engineer
and/or L.S. Surveyor
John D. Jaquess
PROFESSIONAL P.E. & L.S.
Certificate No. 6290