

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-36724	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME -----	
2. NAME OF OPERATOR Yates Petroleum Corporation ✓		7. UNIT AGREEMENT NAME Salt Creek Unit	
3. ADDRESS OF OPERATOR 105 South Fourth Street, Artesia, New Mexico 88210 O.C.D.		8. FARM OR LEASE NAME -----	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 660' FNL and 660' FWL, Unit D At proposed prod. zone same		9. WELL NO. 5	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 23 miles northwest of Roswell, NM		10. FIELD AND POOL, OR WILDCAT West Pecos Slope Abo	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'	16. NO. OF ACRES IN LEASE 10,000	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 21-T8S-R22E	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 3600'	12. COUNTY OR PARISH Chaves	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4128' GR		13. STATE NM	
20. ROTARY OR CABLE TOOLS Rotary		17. NO. OF ACRES ASSIGNED TO THIS WELL 160	
22. APPROX. DATE WORK WILL START*			

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	9 5/8"	43.5#	725'	750 sx- Circulate
7 7/8"	4 1/2"	9.5#	TD	300 sx

Yates Petroleum Corporation proposes to drill and test the Abo and intermediate formations. Approximately 725' 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 725'; Brine to 2525'; Brine/KCL water to TD.

BOPE PROGRAM: BOPE will be installed on the 9 5/8" casing and tested daily for operational.

Gas not dedicated

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Clifton R. May TITLE Permit Agent DATE 6-4-92

(This space for Federal or State office use)

PERMIT NO. 104-1004 APPROVAL DATE 8/28/92  
APPROVED BY David Stout TITLE Asst Area Manager DATE 8/28/92

CONDITIONS OF APPROVAL, IF ANY:

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.