Form 3160-3 0 (August 1999) OMB No. 1004-0136 Expires November 30, 2000 DEPARTMENT OF THE INTERBOVAL SUBJECT TO 5. Lease Serial No. BUREAU OF LAND MANAGEMENT REQUIREMENTS AND 193184 APPLICATION FOR PERMIT TO DRIGP ERIAL SATIRFULATIONS 6. If Indian, Allottee or Tribe Name Not Applicable 7. If Unit or CA Agreement, Name and No. 1a. Type of Work: DRILL Not Applicable 8. Lease Name and Well No. Oil Well b. Type of Well: Gas Other Single x Multiple Zone Jasper "ARJ" Federal #2 Zone 9. API Well No. 2. Name of Operator Yates Petroleum Corporation 30-005-63143 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 105 South Fourth Street 3A. Address Artesia, New Mexico 88210 (505) 748-1471 Foor Ranch; Precambrian 76730 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T., R., M., or Blk, and Survey or Area 760' FNL and 2240' FEL At surface same as above Section 25, T8S-R26E At proposed prod. Zone 14. Distance in miles and direction from nearest town or post office* 12. County or Parish 13. State Approximately 30 miles Northeast of Roswell, New Mexico **Chaves County New Mexico** Distance from proposed* 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 800 320 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 19. Proposed Depth 20. BLM/BIA Bond No. on file 6500 Nationwide Bond #NM-2811 22. Approximate date work will start* 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 23. Estimated duration 3941' **ASAP** 30 Days 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form: 1. Well plat certified by a registered surveyor. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the Operator certification. SUPO shall be filed with the appropriate Forest Service Office. Such other site specific information and/or plans as may be required by the authorized office. 25. Signature Name (Printed/Typed) Date Pat Perez 3/8/01 Title: **Regulatory Agent** Approved by (Signature) Name (Printed/Typed) Title Office ROSWELL FIELD OFFICE Application approval 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. Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United

*(Instructions on reverse)

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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