

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN. M. On *ions. Division*
811 S. 1ST ST.
ARTESIA, NM 88210-2834

5. LEASE DESIGNATION AND SERIAL NO.

NM-31944

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBES NAME		
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 ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME		
2. NAME OF OPERATOR YATES PETROLEUM CORPORATION <i>25575</i>			8. FARM OR LEASE NAME, WELL NO. Reinauer "RC" Federal Com. #3 <i>2477C</i>		
3. ADDRESS AND TELEPHONE NO. 105 South Fourth Street, Artesia, New Mexico, 88210 (505) 748-1471			9. AM WELL NO. <i>30-005-63217</i>		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FSL and 1000' FEL At proposed prod. zone <i>Unit I</i>			10. FIELD AND POOL, OR WILDCAT Pecos Slope Abo <i>82730</i>		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 30 Miles Northeast of Roswell, New Mexico.			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 20, T7S-R25E		
16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		18. NO. OF ACRES IN LEASE 80	17. NO. OF ACRES ASSIGNED TO THIS WELL 160		12. COUNTY OR PARISH Chaves County
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1000'		19. PROPOSED DEPTH 4100'	20. ROTARY OR CABLE TOOLS Rotary		13. STATE New Mexico
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3829' GR			22. APPROX. DATE WORK WILL START* ASAP		

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	11 3/4"	42# H-40	850'	400 sx Circulate
*11"	8 5/8"	24# J-55	1500'	350 sx TOC 750'
7 7/8"	4 1/2"	10.5# J-55	4100'	Polyarchrilamide TOC 3100'

Yates Petroleum Corporation proposes to drill and test the Abo and intermediate formations. Approximately 850' of surface casing will be set and cement circulated to the surface. *(If lost circulation is encountered 8 5/8" casing will be set to approximately 1500'. Hole size will be reduced to 7 7/8"). If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: 0-850' FW Gel/Paper/LCM; 850'-3500' Brine; 3500'-TD Polyarchrilamide.

BOPE PROGRAM: BOPE will be installed on the 11 3/4" casing and tested daily for operational.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on surface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED *Ken Beardemphl* TITLE Ken Beardemphl DATE May 13, 1999

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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 there.

CONDITIONS OF APPROVAL, IF ANY:

/S/LARRY D. BRAY

Acting

Assistant Field Office Manager.

Lands and Minerals

APPROVED BY _____ TITLE _____ DATE JUL 20 1999

*See Instructions On Reverse Side

Title 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.

<i>25575</i>	19		

N.33°41'30"
W.104°25'07"

3830 3822

1000'

3836 3828

1980'

NM- 31944

NM- 27570

OPERATOR CERTIFICATION

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

Signature

Ken Beardemphl

Printed Name

Landman

Title

May 13, 1999

Date

SURVEYOR CERTIFICATION

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 belief.

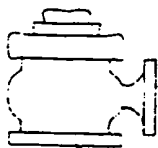
Date Surveyed 5/13/99

Signature & Seal of Professional Surveyor 3640

Certificate No. Herschel L. Jones RLS 3640

REINAUER3 DISK 12

GENERAL SURVEYING COMPANY



Yates Petroleum Corporation

BOP-2

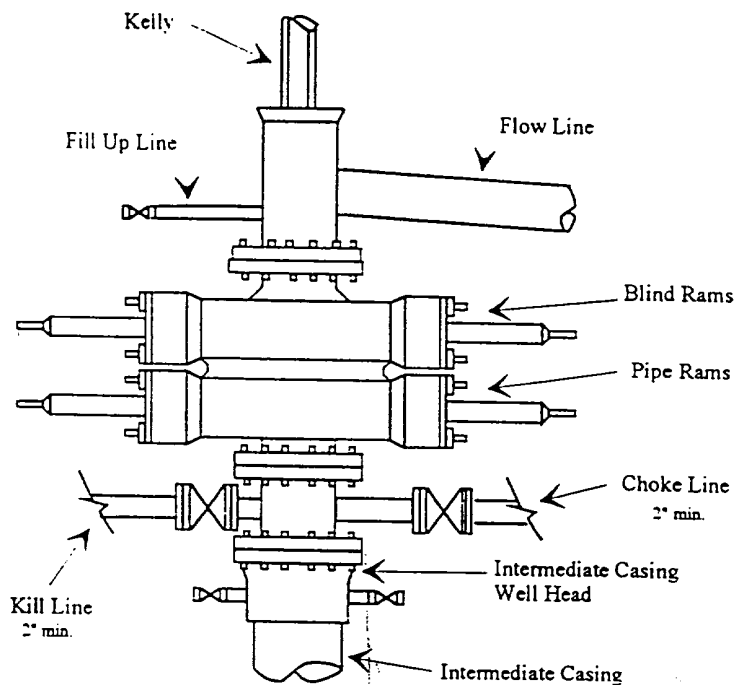
Typical 2,000 psi Pressure System

Schematic

Double Ram Preventer Stack

Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Reinauer RC Federal Com. #3
1980' FSL and 1000' FEL
Section 20, T7S-R25E
Chaves County, New Mexico
NM-31944



Typical 2,000 psi choke manifold assembly with at least these minimum features

