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5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.
LG-6870

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name	
DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		Cherry "ABD" State	
2. Name of Operator		9. Well No.	
Yates Petroleum Corporation		1	
3. Address of Operator		10. Field and Pool, or Wildcat	
207 South Fourth Street, Artesia, New Mexico 88210		Undes. Pecos Slope Abo	
4. Location of Well		12. County	
UNIT LETTER <u>I</u> LOCATED <u>1650</u> FEET FROM THE <u>South</u> LINE		Lincoln	
AND <u>660</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>32</u> TWP. <u>8S</u> RGE. <u>20E</u> NMPM			
19. Proposed Depth		19A. Formation	20. Rotary or C.T.
3550'		Abo	Rotary
21. Elevations (Show whether DF, RT, etc.)	21A. Kind & Status Plug. Bond	21B. Drilling Contractor	22. Approx. Date Work will start
4508' GL	Blanket	not determined	ASAP

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 3/4"	13 3/8"	48# H-40	570'	550 SX	circulated
7 7/8"	5 1/2"	14# K-55	TD	300 SX	

We propose to drill and test the Abo and intermediate formations. Approximately 570' of surface casing will be set and cement circulated to shut off gravel and caving. 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 70', Brine to TD.

BOP PROGRAM: BOP's will be installed at the offset and tested daily.

GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS
8-19-85
UNLESS DRILLING UNDERWAY

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.

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

Signed [Signature] Title Regulatory Agent Date 2/18/85

(This space for State Use)

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTOR DATE FEB 19 1985

CONDITIONS OF APPROVAL, IF ANY:

**N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

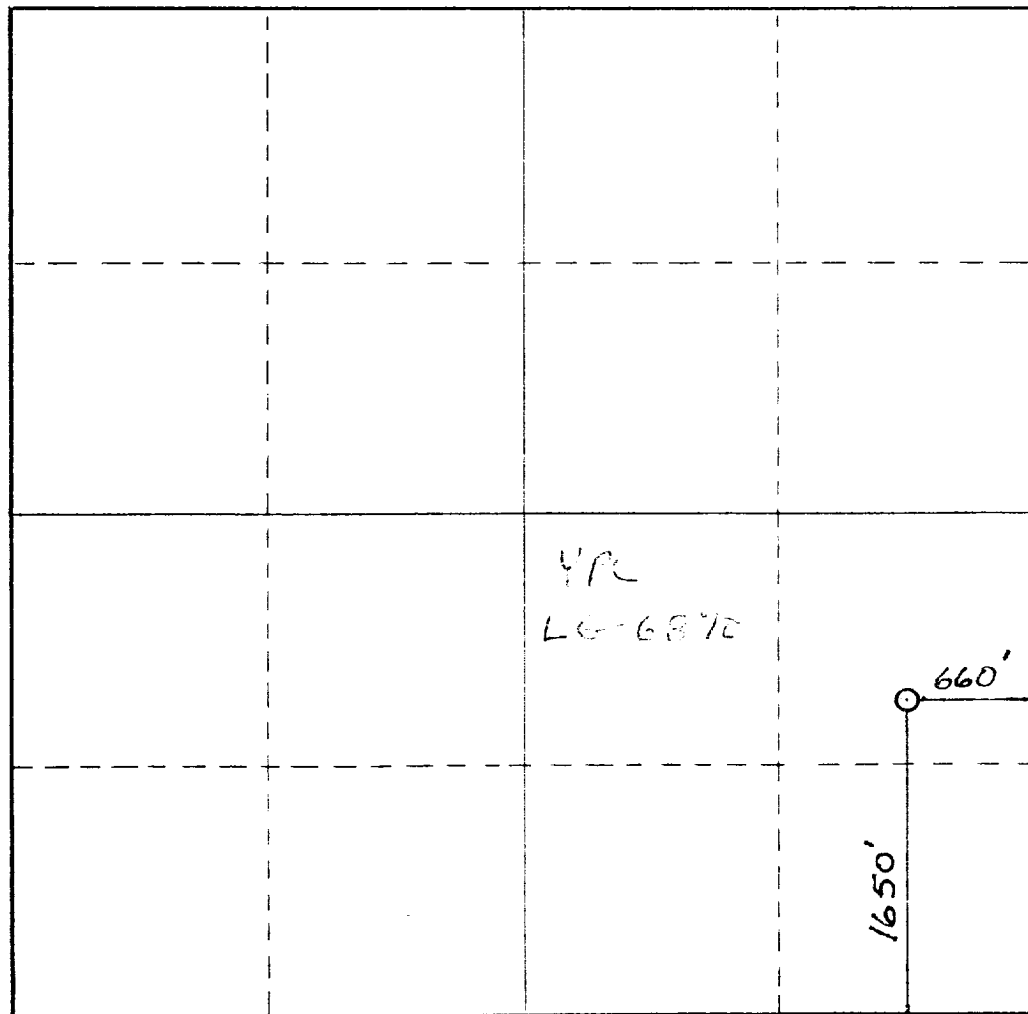
Operator YATES PETROLEUM CORPORATION			Lease Cherry "ABD" State		Well No. 1
Unit Letter I	Section 32	Township 8 South	Range 20 East	County Lincoln	
Actual Footage Location of Well: 1650 feet from the South line and 660 feet from the East line					
Ground Level Elev. 4508' GL	Producing Formation ABC		Pool WILDCAT		Dedicated Acreage: 160 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.) _____

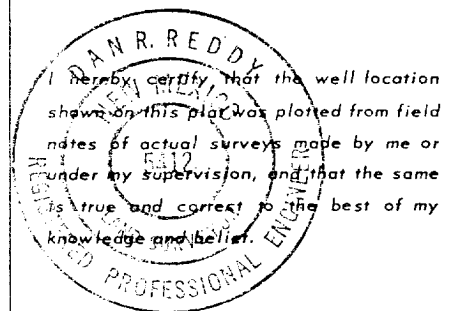
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
Gliserio Rodriguez
Position
Regulatory Agent
Company
Yates Petroleum Corporation
Date
2/18/85



Date Surveyed
February 12, 1985
Registered Professional Engineer and/or Land Surveyor
Dan R. Reddy
Certificate No.
5412

NM PE&LS NO. 5412

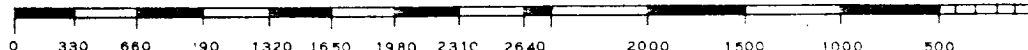


EXHIBIT B

BDP DIAGRAM

RATED 3000[#]

