

RECEIVED BY
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
ARTESIA OFFICE
APR 12 1985SUBMIT IN A PLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.

30-027-20039

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-37096	
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"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Yates Petroleum Corporation ✓		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 207 South Fourth Street - Artesia, NM 88210		8. FARM OR LEASE NAME Cherry "ACE" Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FNL & 660' FEL (Unit H) At proposed prod. zone Same		9. WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 28 miles NW of Roswell, New Mexico		10. FIELD AND POOL, OR WILDCAT Wildcat - Abo	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 27-T8S-R20E	
16. NO. OF ACRES IN LEASE 2560		12. COUNTY OR PARISH Lincoln	
17. PROPOSED DEPTH 4000'		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		17. NO. OF ACRES ASSIGNED TO THIS WELL 160	
20. ROTARY OR CABLE TOOLS Rotary		22. APPROX. DATE WORK WILL START* ASAP	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4538' GL			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	10-3/4"	40.5# K-55	800'	700 sacks - circulate
7-7/8"	5-1/2"	14# K-55	4000'	350 sacks

We propose to drill and test the Abo and intermediate formations. Approximately 800' of surface casing will be set and cement circulated to shut off gravel and cavings. If need for lost circulation 8-5/8" intermediate casing will be run to 1500' and cemented with enough cement calculated to tie back into the surface casing. A temperature survey will be run to determine cement top. 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 800'; Brine to TD

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

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 May TITLE Regulatory Agent DATE March 27, 1985
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY S/PHU Kirk TITLE _____ DATE 4-10-85
CONDITIONS OF APPROVAL, IF ANY: _____

NEW 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.

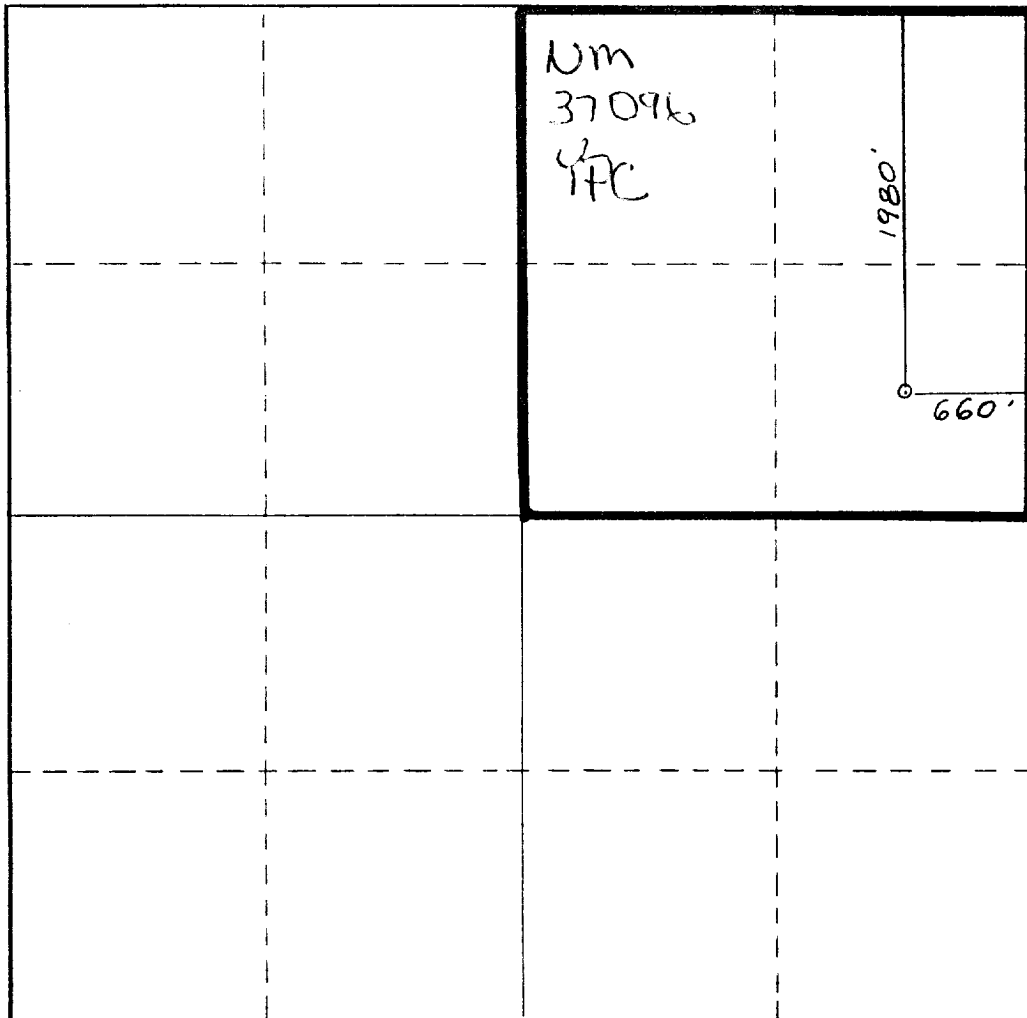
Operator YATES PETROLEUM CORPORATION			Lease Cherry "ACE" Federal		Well No. 1
Unit Letter H	Section 27	Township 8 South	Range 20 East	County Lincoln	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line					
Ground Level Elev. 4538	Producing Formation ABO		Pool Wildcat ABO	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.

Cy Cowan

Name

Cy Cowan

Position

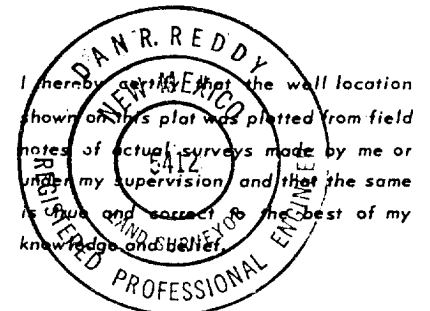
Regulatory Agent

Company

Yates Petroleum Corporation

Date

March 27, 1985



Date Surveyed

3/21/85

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.

PE&LS # 5412

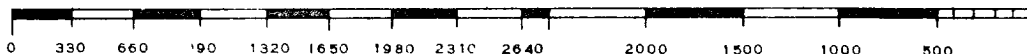
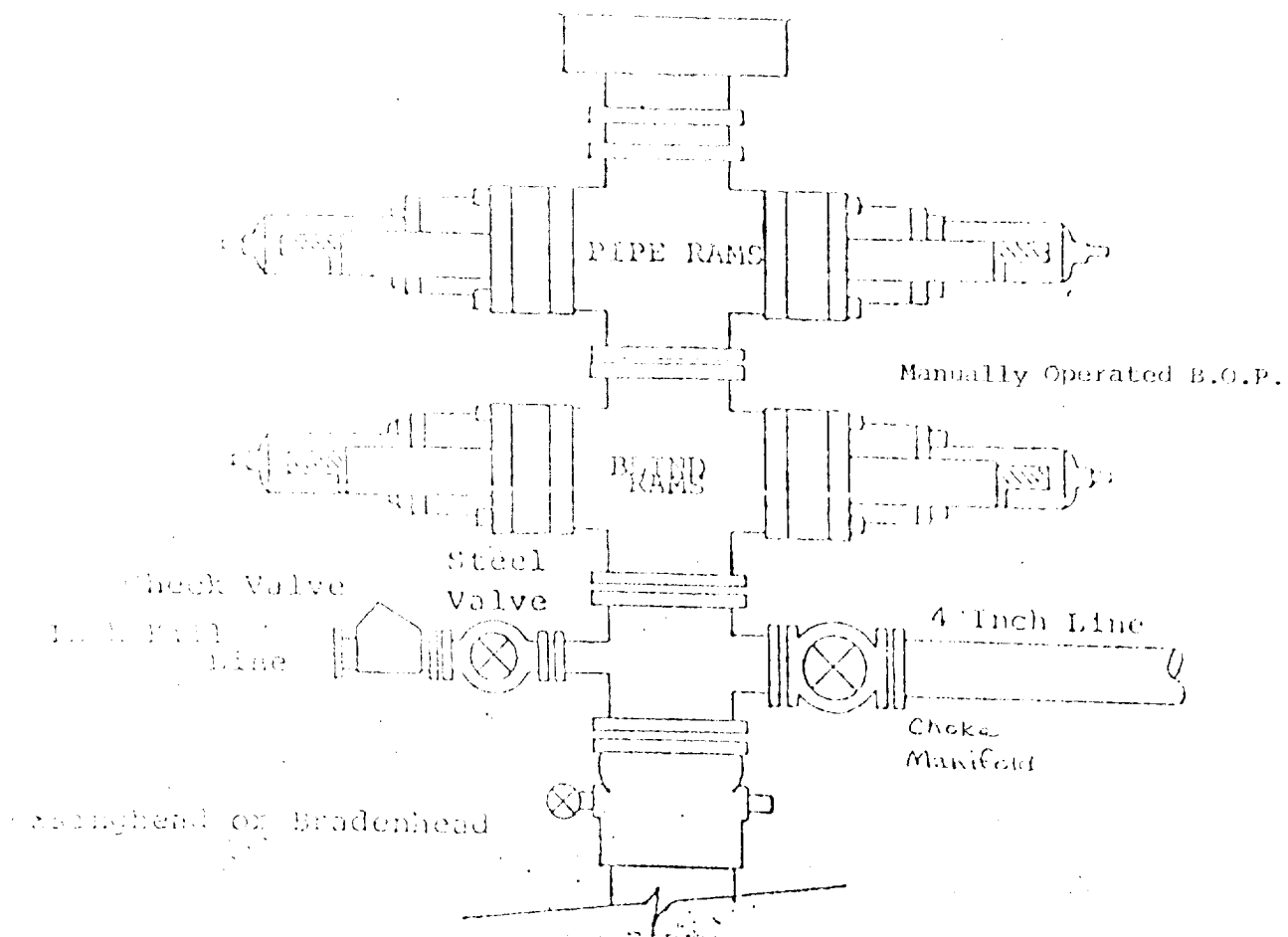


EXHIBIT B

BDP DIAGRAM

RATED 3000[#]



YATES PETROLEUM CORPORATION
Cherry "ACE" Federal #1
1980' FNL & 660' FEL of
Section 27-T8S-R20E
Lincoln County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Company submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geologic surface formation is alluvial.

2. The estimated tops of geologic markers are as follows:

San Andres	Spud
Glorieta	700'
Yeso	830'
Tubb	1700'
Abo	2275'
Wolfcamp	2525'
Precambrian	3200'
TD	4000'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 300-400'

Oil or Gas: Abo - 2300' to TD

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C.

6. Mud Program: See Form 9-331C.

7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

Samples: 10' out from under surface casing

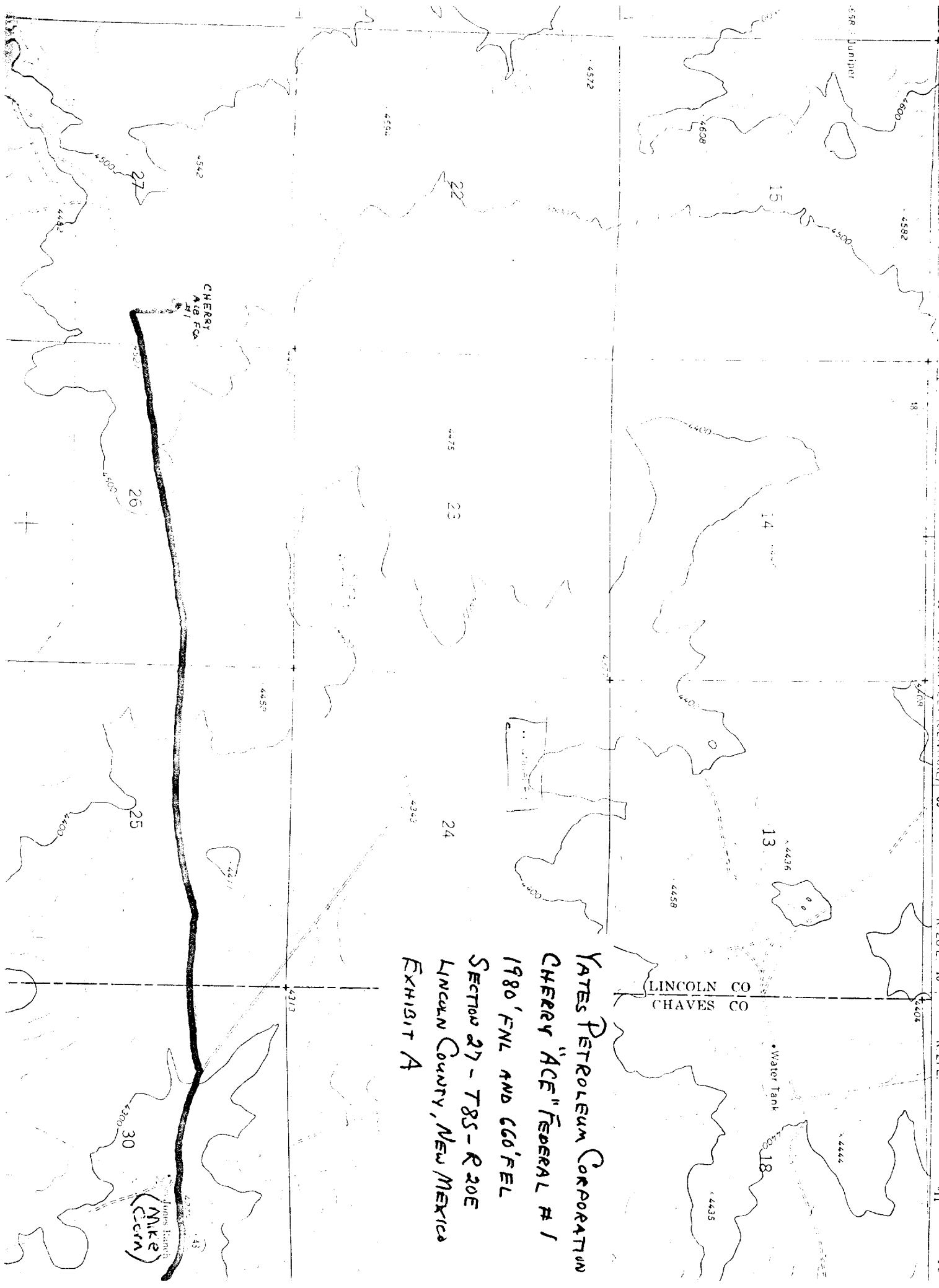
DST's: As warranted

Coring: Any oil saturated reservoir

Logging: CNL/LDT from TD to surface casing; GR/CNL from casing to surface; DLL w/Rxo from TD to casing

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.



YATES PETROLEUM CORPORATION
CHERRY "ACE" FEDERAL # 1
1980' FNL AND 660' FEL
SECTION 27 - T8S - R20E
LINCOLN COUNTY, NEW MEXICO
EXHIBIT A

(Mike)
(Cern)

WALSH PETROLEUM CORP.

Exhibit C

Reserve Pit
bottom to be at
ground level to
1 ft.

