

C/SF

Form 3180-3 (July 1992)

Harvey E. Yates Company

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMNM-95620
2. NAME OF OPERATOR HARVEY E. YATES COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 25
3. ADDRESS AND TELEPHONE NO. P.O. BOX 1933, ROSWELL, NEW MEXICO 88202 505-623-6601		7. UNIT AGREEMENT NAME BENNETT RANCH UNIT
4. LOCATION OF WELL (REPORT LOCATION CLEARLY AND IN ACCORDANCE WITH ANY STATE REQUIREMENTS) AT SURFACE 1,980' FNL & 1,980' FEL AT PROPOSED PROD. ZONE SAME Unit 6		8. FARM OR LEASE NAME, WELL NO. #1
10. FIELD AND POOL, OR WILDCAT WILDCAT		9. API WELL NO. 30-035-20031
11. SEC., T., R., M. OR BLK AND SURVEY OR AREA SEC 25, T26S, R12E		12. COUNTY OR PARISH OTERO
13. STATE NM		

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE APPROXIMATELY 3 MILES NW OF ALAMO MOUNTAIN		
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1,980'	16. NO. OF ACRES IN LEASE 640	17. NO. OF ACRES ASSIGNED TO THIS WELL 160 ac WILDCAT, FIELD RULE NOT ESTABLISHED YET
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NONE	19. PROPOSED DEPTH 6,450'	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether OF, RT, GR, etc.) 5,028 (GR)		APPROX. DATE WORK WILL START ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WT PER FT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" H-40	48#	900'	750 SX "C" w/ 2% CACL & 14# FLOSEAL
12 1/4"	9 5/8" J-55	36#	3,100'	200 SX "C" w/ 2% CACL & 14# FLOSEAL 1200 SX FILLER *
8 3/4"	5 1/2" J-55	17#	6,450'	1000 SX LEAD & 400 SX TAIL **
(SEE EXHIBIT E)				

ALL CASING WILL BE NEW, OR USED MEETING BLM SPECS.
CEMENT WILL BE CIRCULATED ON 13 3/8" AND 8 5/8" CASING.
CEMENT QUANTITIES AND ADDITIVES ARE SUBJECT TO CHANGE DUE TO HOLE CONDITIONS.
* FILLER CEMENT 35/65 "C" POZ w/ 6% GEL, 5% SALT, & 14# FLOSEAL
** LEAD: 1100 SX "H" POZ w/ 2% GEL & 5% SALT PER SACK
TAIL: 500 SX "H" w/ 3% KCL, 5% FLUID LOSS, 3% DISPERSANT, 1% BONDING AGENT, 3% RETARDER, & 2% SODIUM METASILICATE PER SACK

24. PROPOSED MUD PROGRAM	
0-7'	AIR DRILL UNTIL HOLE DICTATES OTHERWISE.
7-6,450'	FRESH WATER SYSTEM W/ SHALE GUARD, AMMONIA NITRATE, & SWEEPS TO CLEAN HOLE. SHOULD MUD UP BE REQUIRED, DRISPAK & SHALE GUARD 8.5-8.8 PPG, 32-40 VIS 12-15 CC WATER LOSS

MUD PROGRAM SUBJECT TO CHANGE DUE TO HOLE CONDITIONS

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 subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

25. SIGNED Bob Williams Bob Williams TITLE Drilling Superintendent DATE 6/20/00

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

PERMIT NO. _____ APPROVAL DATE _____

APPLICATION APPROVAL DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS A 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:

APPROVED BY [Signature] TITLE ASST. FIELD MGR DATE 11/6/2000

TITLE 18 U.S.C. SECTION 1001, MAKES IT A CRIME FOR ANY PERSONS 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