

OCD-HOBBS

RESUBMITTAL

FORM APPROVED  
OMB NO 1004-0137  
Expires: March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NM-104696</b>
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>LEA COUNTY CONTROLLED WATER BASIN</b> <b>Yates Petroleum Corporation 25575</b>		7. If Unit or CA Agreement, Name and No.
3a. Address <b>105 South Fourth Street, Artesia New Mexico 88210</b>	3b. Phone No (include area code) <b>(505) 748-1471</b>	8. Lease Name and Well No <b>Jenkins AXI Federal Com #1 34945</b>
4. Location of well (Report location clearly and in accordance with any State requirements *) At surface <b>800' FSL and 1650' FWL, Unit N</b> At proposed prod. zone <b>same as above</b>		9. API Well No. <b>30-025-38567</b>
14. Distance in miles and direction from the nearest town or post office* <b>Approximately seventy-two (72) miles northeast of Artesia, New Mexico</b>		10. Field and Pool, or Exploratory <b>Jenkins, Atoka, NW (Gas) 79323</b>
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg. unit line, if any) <b>800'</b>	16. No. of acres in lease <b>436.81</b>	11. Sec., T., R., M., or Blk. And Survey or Area <b>Section 6, T9S-R34E</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>11400'</b>	12. County or Parish <b>Lea County NM</b>
21. Elevations (Show whether DF, RT, GR, etc.) <b>4317' GL</b>	22. Approximate date work will start* <b>ASAP</b>	17. Spacing Unit dedicated to this well <b>320 acres</b>
		20. BLM/ BIA Bond No. on file <b>NATIONWIDE BOND NMB000434</b>
		23. Estimated duration <b>30 Days</b>

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form

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| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above)         |
| 2. A Drilling Plan.  | 5. Operator certification   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/ or plans as may be required by the authorized officer. |

25. Signature <b>Clifton R. May</b>	Name (Printed/ Typed) <b>Clifton R. May</b>	Date <b>6/14/2007</b>
Title <b>Regulatory Agent</b>		
Approved By (Signature) <b>/s/ Don Peterson</b>	Name (Printed/ Typed) <b>/s/ Don Peterson</b>	Date <b>SEP 18 2007</b>
Title <b>FIELD MANAGER</b>		
Office <b>CARLSBAD FIELD OFFICE</b>		

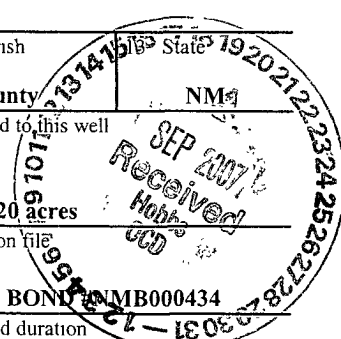
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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

\*(Instructions on page 2)

ATS-07-519



APPROVAL FOR TWO YEARS

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL