

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells) 30-025-01820
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1611

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input type="checkbox"/> RE-ENTER <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>				7. Lease Name or Unit Agreement Name Lagarto State Unit	
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>				8. Well No. 3	
2. Name of Operator Yates Petroleum Corporation				9. Pool name or Wildcat Sand Springs Wildcat Atoka	
3. Address of Operator 105 South Fourth Street, Artesia, New Mexico 88210					
4. Well Location Unit Letter <u>M</u> : <u>660</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>1</u> Township <u>11 South</u> Range <u>34 East</u> NMPM Lea County					
10. Proposed Depth 12,800'		11. Formation Atoka		12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 4139' GR		14. Kind & Status Plug. Bond Blanket		15. Drilling Contractor Undesignated	
16. Approx. Date Work will start ASAP					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8"	32.75#	304' in place	350 sacks	Circulated
11"	9-5/8"	36 & 40#	4132' in place	1700 sacks	Circulated
7-7/8"	5-1/2"	17 & 20#	4800-13,205 in place	200 sacks 175 sacks	12,400' 11,140'

This well was originally drilled by Sinclair Oil & Gas Company as the State Lea 840 #1 in June 1957. The well was completed in November 1957, as a Devonian oil well. The well was plugged in February 1959. We propose to re-enter this well cleaning it out to 12,800', splice and cement 5½ casing at 4800' with 300 sacks. Then plan to cement behind 5½ casing from 12,400' to 11,780', perforate and test Atoka within this interval. Other potentially productive zones may also be tested.

This is a non-standard location and application for approval will be made to NMOCD in Santa Fe. We wish to proceed with our plans while awaiting approval.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Clifton R. May TITLE Permit Agent DATE 6-25-90
(505) 748-1471
TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use)
ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Approved for re-entry work only -- well cannot be produced until order approving non-standard location has been issued.

Permit Expires 6 Months From Approval
Date Unless Drilling Underway

JUN 27 1990

RECEIVED

JUN 26 1990

ONE
HOMER COURT