

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

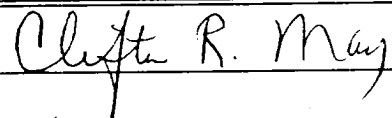
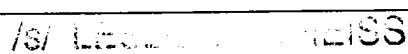
APPLICATION FOR PERMIT TO DRILL OR REENTER

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OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. NM-104697	
b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Yates Petroleum Corporation		7. If Unit or CA Agreement, Name and No.	
3A. Address 105 South Fourth Street Artesia, New Mexico 88210		8. Lease Name and Well No. Sam Boren "AUZ" Federal #1	
3b. Phone No. (include area code) (505) 748-1471		9. API Well No. 30-025-23469	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1980' FSL AND 660' FWL, NWSW, 35-9S-34E At proposed prod. Zone same as above		10. Field and Pool, or Exploratory Wildcat	
14. Distance in miles and direction from nearest town or post office* Approximately 8 miles west of Crossroads, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area Section 35-T9S-R34E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'		12. County or Parish Lea	13. State NM
16. No. of Acres in lease 160		17. Spacing Unit dedicated to this well 40	
18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft. N/A		20. BLM/BIA Bond No. on file Nationwide Bond #NM-2811	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4204' GL		22. Approximate date work will start* ASAP	
23. Estimated duration 60 days		24. Attachments No Water Basis	

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 an 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 office. |

25. Signature 	Name (Printed/Typed) Clifton R. May	Date 2/15/01
Title: Regulatory Agent		
Approved by (Signature) 	Name (Printed/Typed) L. E. Weiss	Date 2/15/01
Title: Assistant Regional Director		
Office: Albuquerque		

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 reverse)

OPER. OGRID NO. 25575
PROPERTY NO. 27796
POOL CODE 2
EFF. DATE 3-28-01
API NO. 30-025-23469

MP

RECEIVED
SEP 15 2001
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WILLIAMSON
ROGERS, ALA