

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*
(Other instructions on
reverse side)

30-025-31042
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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-59392
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input 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 105 South Fourth Street, Artesia, New Mexico 88210		8. FARM OR LEASE NAME Lusk AHB Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' ENI and 1650' FEL At proposed prod. zone Same		9. WELL NO. 2
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12 miles South of Maljamar, New Mexico		10. FIELD AND POOL, OR WILDCAT Wildcat East Lusk, Delaware
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA Sec. 35-T19S-R32E
16. NO. OF ACRES IN LEASE		12. COUNTY OR PARISH Lea
17. NO. OF ACRES ASSIGNED TO THIS WELL 40.00		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 7900'		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3666.0' GR		22. APPROX. DATE WORK WILL START*

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.50#	1140'	1150 Sacks - <u>circulated</u>
12 3/4"	8 5/8"	32#	4430'	2500 Sacks - <u>circulated</u>
7 7/8"	5 1/2"	17&20#	TD	As warranted

Yates Petroleum Corporation proposes to drill and test the Delaware and Intermediate formations. Approximately 1140' of surface casing will be set and cement circulated. Approximately 4430' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated, and stimulated as needed for production.

Mud program: FW to 1140'; Brine to 4900'; cut Brine to TD

BOP Program: BOP will be installed at the offset and tested daily for operational.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 R. May TITLE Permit Agent DATE 9-12-90
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
AREA MANAGER
ORIG. SIGNED BY Richard L. Morgan TITLE _____ DATE 10-16-90
APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side