

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 1650' FNL and 1650' FWL; Unit F; SENW At proposed prod. zone			9. WELL NO. 7	
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 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., R., 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			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.			19. PROPOSED DEPTH 8000'	
20. ROTARY OR CABLE TOOLS Rotary			21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3566' GR	
22. APPROX. DATE WORK WILL START* ASAP				

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 sx-circulated
12 1/4"	8 5/8"	32#	4430'	2500 sx-circulated
7 7/8"	5 1/2"	17 & 20#	TD	Tie Back to 8 5/8"

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 4430'; cut Brine to TD.

BOPE PROGRAM: BOPE will be installed at the offset and tested daily for operational.

NOTE: Location moved due to archeological problems.

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 4-21-92
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 9-4-92
CONDITIONS OF APPROVAL, IF ANY:

see cover letter

*See Instructions On Reverse Side