

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|  |  |  |   |
|--|--|--|---|
| 1a. TYPE OF WORK<br><b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>PLUG BACK</b> <input type="checkbox"/>  |  |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>NM-59392                       |
| b. TYPE OF WELL<br>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<br>Yates Petroleum Corporation   |  |  | 7. UNIT AGREEMENT NAME  |
| 3. ADDRESS OF OPERATOR<br>105 South Fourth Street, Artesia, New Mexico 88210   |  |  | 8. FARM OR LEASE NAME<br>Lusk "AHB" Federal                           |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*<br>At surface<br>Unit H; 1650' FNL and 1040' FEL; Section 35-T19S-R32E<br>At proposed prod. zone               |  |  | 9. WELL NO.<br>9  |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*<br>12 miles south of Maljamar, NM  |  |  | 10. FIELD AND POOL, OR WILDCAT<br>Delaware East Lusk                  |
| 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<br>Sec. 35-T19S-R32E |
| 16. NO. OF ACRES IN LEASE  |  |  | 12. COUNTY OR PARISH<br>Lea   |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL<br>40   |  |  | 13. STATE<br>NM   |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  |  |  | 19. PROPOSED DEPTH<br>7900'   |
| 20. ROTARY OR CABLE TOOLS<br>Rotary  |  |  | 21. ELEVATIONS (Show whether DF, RT, GR, etc.)<br>3566' GR            |
| 22. APPROX. DATE WORK WILL START*<br>ASAP  |  |  | 23. PROPOSED CASING AND CEMENTING PROGRAM<br>Secretary's Potash       |

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT                           |
|--------------|----------------|-----------------|---------------|--|
| 17 1/2"      | 13 3/8"        | 54.5#           | 1140'         | Circulate - 1150 sacks                       |
| 12 1/4"      | 8 5/8"         | 32.0#           | 4430'         | Circulate - 2500 sacks                       |
| 7 7/8"       | 5 1/2"         | 17 & 20#        | TD            | Adequate cover - Tie Back 100' 8 5/8" casing |

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: Native mud to 1140'; Brine to 4430'; cut Brine to TD.  
BOP PROGRAM: <sup>2 1/2"</sup> BOP will be installed at the offset and tested daily for operational.

Note: Administrative order for NSL has been applied for.

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 4-22-91

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 4-4-92

CONDITIONS OF APPROVAL, IF ANY:  
APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

see cover letter

\*See Instructions On Reverse Side