

YATES PETROLEUM CORPORATION

Union "AJS" Federal #1
1980' FSL and 1980' FEL
Section 8-T21S-R32E
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements.

1. The geological surface formation is Sandy Alluvium:
2. The estimated tops of geologic markers are as follows:

Rustler	1,168'
TOS	1,618'
Reef	2,397'
Bell Canyon	4,591'
Cherry Canyon	5,581'
Brushy Canyon	7,366'
Bone Spring	8,526'
TD	8,650'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 150'
Oil or Gas: 5581' and 8526'

4. Proposed Casing Program:

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Type</u>	<u>Setting Depth</u>
17 1/2"	13 3/8"	54.5#	J-55	ST&C	1170'
11"	8 5/8"	32.0#	J-55	LT&C	4600'
7 7/8"	5 1/2"	15.5# & 17#	J-55	TD	TD

Surface pipe (0'-1170') will be cemented with 1200 sacks C-lite + 2% CaCl + 1/4lb/sk Celloseal. Yield 1.76 cu.ft/sk. Weight will be 12.9 lb/gal. Tailed in with 200 sacks C with 2% CaCl + 1/4lb/sk Celloseal. Yield 1.33 cu.ft./sk. Weight will be 14.8 lb/gal. Quantity sufficient to circulate to surface.

Intermediate pipe (0'-4600') will be cemented with 1500 sacks C-Lite + 10 lbs/sk salt + 1/4 lb/sk Celloseal. Yield 1.94 cu.ft/sk. Weight will be 12.9 lb/gal. Tailed in with 200 sacks C + 1% CaCl. Yield 1.32 cu.ft/sk. Weight will be 13.8 lb/gal. Quantity will be sufficient to circulate to surface.

Production pipe (0'-8650') will be cemented with 300 sacks (or sufficient to cover zones of interest) Class H + 5 lb. CSE + .7% CF-14 + 10 lb/sk Gilsonite. Yield 1.45 cu.ft/sk. Weight will be 14.4 lb/gal.

5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connections.

RECEIVED

OCT 11 1981

C.
HARRIS