

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)
 32 25-3224-1

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 V-2734

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER DEEPEN PLUG BACK

b. Type of Well:
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
 Yates Petroleum Corporation

3. Address of Operator
 105 South Fourth Street, Artesia, NM 88210

4. Well Location
 Unit Letter M : 330 Feet From The South Line and 990 Feet From The West Line
 Section 32 Township 24 South Range 33 East NMPM Lea County

7. Lease Name or Unit Agreement Name
 Yarn "ANY" State

8. Well No.
 1

9. Pool name or Wildcat
 Wildcat Delaware

10. Proposed Depth
 9400'

11. Formation
 Delaware

12. Rotary or C.T.
 Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
 3477' GR

14. Kind & Status Plug. Bond
 Blanket

15. Drilling Contractor
 Undesignated

16. Approx. Date Work will start
 ASAP

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	48.0	600'	600	Circulate
12 1/4"	8 5/8"	32.0	4900'	2500	Circulate
7 7/8"	5 1/2"	15.5 & 17.0	TD	Sufficient to tie back to 4700'	

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate zones. Approximately 600' of surface casing will be set and cement circulated. An intermediate string will be set at approximately 4900' and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud mud to 600'; Brine water to 4900'; cut Brine to TD.

BOP PROGRAM: BOP's will be installed on the 13 3/8" casing and tested for operational daily.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Clifton R. May TITLE Permit Agent DATE 10-12-93
 TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-4347

(This space for State Use)
ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE OCT 14 1993

CONDITIONS OF APPROVAL, IF ANY: