

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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| 1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. NM-15447 | |
| 2. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME | |
| 3. NAME OF OPERATOR Yates Petroleum Corporation | | 7. UNIT AGREEMENT NAME | |
| 4. ADDRESS OF OPERATOR 207 S. 4th, Artesia, New Mexico 88210 | | 8. FARM OR LEASE NAME Brooks "UT" Federal | |
| 9. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL and 1980' FEL At proposed prod. zone same | | 9. WELL NO. 1 | |
| 10. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 16 miles south of Kenna, New Mexico. | | 10. FIELD AND POOL, OR WILDCAT Undes. Tomahawk SA | |
| 11. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 12-T8S-R31E | |
| 12. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. | | 12. COUNTY OR PARISH 13. STATE Chaves NM | |
| 13. NO. OF ACRES IN LEASE 160 | | 14. NO. OF ACRES ASSIGNED TO THIS WELL 40 | |
| 15. PROPOSED DEPTH 4235' | | 15. ROTARY OR CABLE TOOLS Rotary | |
| 16. ELEVATIONS (Show whether DF, RT, GR, etc.) 4424.2' GL | | 16. APPROX. DATE WORK WILL START* ASAP | |

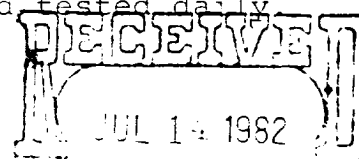
PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 9 1/2" | 7" | 20# J-55 | appr. 1725' | 500 sx circulated |
| 6 1/4" | 4 1/2" | 9.5# | TD | 300 sx |

We propose to drill and test the San Andres formation. If commercial, 4 1/2" production casing will be run and cemented with an adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Native mud to 1725'. FW to TD.

BOP PROGRAM: BOP's will be installed at 1725' and tested daily



OIL & GAS
U.S. GEOLOGICAL SURVEY
NOSWELL, NEW MEXICO

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 George H. Stewart TITLE Regulatory Manager DATE 7/13/82

(This space for Federal or State office use)

Permit No. GEORGE H. STEWART

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

3/86 E
Mud & Native to Kenna