

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-015-36908
4. Property Code 12677	5. Property Name RIO PENASCO JX COM	6. Well No. 003

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	35	18S	25E	H	1500	N	1200	E	EDDY

tomorrow	0
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9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3488
14. Multiple N	15. Proposed Depth 8860	16. Formation Morrow	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> miles thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	450	
Int1	12.25	8.625	24	1200	600	
Prod	7.875	5.5	17	8860	650	700

Yates Petroleum Corporation proposes to drill and test the Morrow and Intermediate formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 88179

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-36908	2. Pool Code	3. Pool Name morrow
4. Property Code 12677	5. Property Name RIO PENASCO JX COM	6. Well No. 003
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3488

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	35	18S	25E		1500	N	1200	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Monti Sanders

Title:

Date: 1/15/2009

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Herschell Jones

Date of Survey: 4/17/2001

Certificate Number: 3640

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: RIO PENASCO JX COM #003

API: 30-015-36908

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-400' FW/Spud Mud; 400'-1200' FW; 1200'-7900' Cut Brine; 7900'-8860' Salt Gel/Starch.	1/13/2009
MSANDERS	BOPE PROGRAM: A 3000# BOPE will be installed on the 11 3/4" casing and tested daily.	1/13/2009
MSANDERS	H2S Contingency Plan and Plat to follow by mail.	1/13/2009

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: RIO PENASCO JX COM #003

API: 30-015-36908

OCD Reviewer	Condition
TGUM	NOTE: THAT STELL MUD PITS MUST BE USED FOR THE OIL-BASED MUD SYTEM. NOTE: CHANGE IN THE TIE BACK DEPTH OF THE PROD CSG.
TGUM	NOTE: CHANGE IN CMT TIE BACK DEPTH.