

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-015-37997
4. Property Code 38242	5. Property Name RUDOLPH ATX STATE COM	6. Well No. 003H

UL - Lot M	Section 16	Township 19S	Range 31E	Lot Idn M	Feet From 330	N/S Line S	Feet From 660	E/W Line W	County EDDY
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LUSK:BONE SPRING, WEST	41480
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3472
14. Multiple N	15. Proposed Depth 13360	16. Formation Bone Spring	17. Contractor	18. Spud Date 8/1/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils 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	450	400	0
Int1	12.25	9.625	36	3000	1025	0
Prod	8.75	5.5	17	13360	3475	2500

H2S is not anticipated for this well.

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 117285

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37997	2. Pool Code 41480	3. Pool Name LUSK;BONE SPRING, WEST
4. Property Code 38242	5. Property Name RUDOLPH ATX STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3472

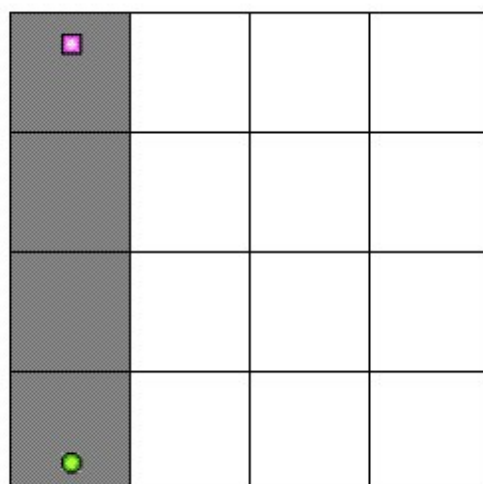
10. Surface Location

UL - Lot M	Section 16	Township 19S	Range 31E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 16	Township 19S	Range 31E	Lot Idn D	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County EDDY
12. Dedicated Acres 160.00		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: 7/14/2010

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: Gary Jones

Date of Survey: 7/9/2010

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: RUDOLPH ATX STATE COM #003H

API: 30-015-37997

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 9250'. Well will be plugged back with a 600' kick off plug, then kicked off at approx. 8467' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 9222' MD (8945' TVD). If hole conditions dictate, 7" casing will be set and cemented.	7/14/2010
MSANDERS	A 6 1/8" hole will then be drilled to 13360' MD (8900 TVD) and 4 1/2" will be set and cemented. If 7" is not set then hole will be reduced to 7 7/8" and drilled to 13360' MD (8900' TVD) where 5 1/2" will be set and cemented.	7/14/2010
MSANDERS	Penetration point of the producing zone will be encountered at 812' FSL and 660' FWL, Section 16, T19S-R31E. Deepest TVD in the well will be 9250'	7/14/2010
MSANDERS	MUD PROGRAM: 0-450' Fresh Water; 450'-3000' Brine Water; 3000'-9250' Cut Brine; 8467'-13360' Cut Brine (lateral).	7/14/2010
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi system nipped up on 13 3/8" and 9 5/8" casing.	7/14/2010
MSANDERS	MAXIMUM ANTICIPATED BHP: 0-450 215 psi; 450-3000 1591 psi; 3000-9250 4425 psi. Depths are TVD.	7/14/2010
MSANDERS	C-144 for Closed Loop System, Contingency Casing Design and Drilling Plan to follow by mail.	7/14/2010

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: RUDOLPH ATX STATE COM #003H

API: 30-015-37997

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string