State of New Mexico

Form C-101 Permit 126440

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

YATES PETR	ator Name and Address OLEUM CORPORATION	2. OGRID Number 25575
P. 12.5 (2)	05 \$ 4TH ST ESIA , NM 88210	3. API Number 30-025-40039
4. Property Code 38464	5. Property Name MAMBA BQN STATE COM	6. Wett No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	30	24S	33E	N	330	S	1980	W	LEA

8. Pool Information

WILDCAT;BONE SPRING 96403

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3553	
14. Multiple 15. Proposed Depth N 13815		16. Formation Bone Spring			
Depth to Ground	water	Distance from nearest fresh	water well	Distance to nearest surface water	
Pit: Liner: Synthetic Closed Loop Syste	mils thic	k Clay Pit Volume:	bbls Drilling Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1425	1075	0
Int1	12.25	9.625	40	4850	1575	0
Prod	8.5	5.5	17	13815	2050	4350

Casing/Cement Program: Additional Comments

H2S is not aniticipated for this well.

Proposed Blowout Prevention Program

3			679
Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

of my knowledge and belief.	n given above is true and complete to the best g pit will be constructed according to	OIL CONSERVATION DIVISION			
	al permit , or an (attached) alternative	Approved By: Paul Kautz			
Printed Name: Electronically	y filed by Monti Sanders	Title: Geologist			
Title:		Approved Date: 2/7/2011	Expiration Date: 2/7/2013		
Email Address: montis@ya	tespetroleum.com				
Date: 1/28/2011	Phone: 575-748-4244	Conditions of Approval Attached			

District I

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

District I

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

Form C-102 Permit 126440

Energy, Minerals and Natural Resources Oil Conservation Division

1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3.	Pool Name	
30-025-40039	96403	WILDCAT	T;BONE SPRING	
4. Property Code	5. Property N	lame .	6. Well No.	
38464	MAMBA BQN STATE COM		001H	
7. OGRID No.	8. Operator Name 9. Eleva		9. Elevation	
25575	YATES PETROLEUM CORPORATION 3553			

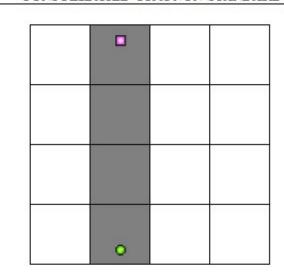
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	30	24S	33E	II. In a control of	330	S	1980	W	LEA

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
С	30	24S	33E	С	330	N	1980	W	LEA
12. Dedica 160	ated Acres	13. J	oint 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: 1/28/2011

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: 11/23/2010 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575
Well: MAMBA BQN STATE COM #001H
API: 30-025-40039

Created By	Comment	Comment Date
MSANDERS	Drill vertically to 8923'. Well will then be kicked off at 8923' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 9700' MD (9400' TVD). Hole size will then be reduced to 8 1/2" and drilled to 13,815' MD (9400' TVD) where 5 1/2" casing will be set and cemented.	1/28/2011
MSANDERS	Penetration point of producing zone will be encountered at 807' FSL and 1980' FWL, 30- 24S-33E. Deepest TVD in the well is 9400' in the lateral.	1/28/2011
MSANDERS	MUD PROGRAM: 0-1425' Fresh Water; 1425'-4850' Brine Water; 4850'-8923' Cut Brine; 8923'-13815' Cut Brine (lateral).	1/28/2011
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi system nippled up on 13 3/8" and 9 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-1425' 682 psi; 1425'-4850' 2572 psi; 4850'-9400' 4399 psi.	1/28/2011
MSANDERS	C-144 for a Closed Loop System and Drilling Plan to follow by mail.	1/28/2011
pkautz	Land S/S	1/28/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575
Well: MAMBA BQN STATE COM #001H
API: 30-025-40039

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