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|---|--|--|--|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | | OIL CONSERVATION DIVISION | |
| Printed Name: Electronically filed by Monti Sanders | | Approved By: Paul Kautz | |
| Title: | | Title: Geologist | |
| Email Address: montis@yatespetroleum.com | | Approved Date: 2/7/2011 Expiration Date: 2/7/2013 | |
| 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 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 126440

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

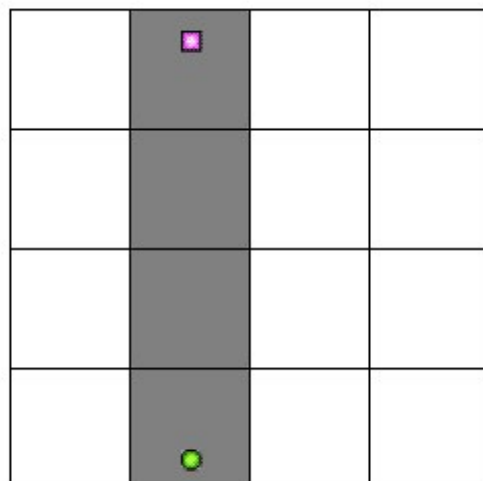
10. Surface Location

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

11. Bottom Hole Location If Different From Surface

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