

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210		2. OGRID Number 25575
		3. API Number 30-015-38576
4. Property Code 38544	5. Property Name ANTHILL AAK STATE COM	6. Well No. 003H

UL - Lot P	Section 2	Township 20S	Range 29E	Lot Idn P	Feet From 560	N/S Line S	Feet From 330	E/W Line E	County EDDY
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PARKWAY:BONE SPRING	49622
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9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lease Type State	13. Ground Level Elevation 3297
14. Multiple N	15. Proposed Depth 12770	16. Formation Bone Spring	17. Contractor	18. Spud Date 3/31/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mills 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	0	
Int1	12.25	9.625	36	1300	698	
Prod	8.75	5.5	17	12770	2123	800

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 129059

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38576	2. Pool Code 49622	3. Pool Name PARKWAY;BONE SPRING
4. Property Code 38544	5. Property Name ANTHILL AAK STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3297

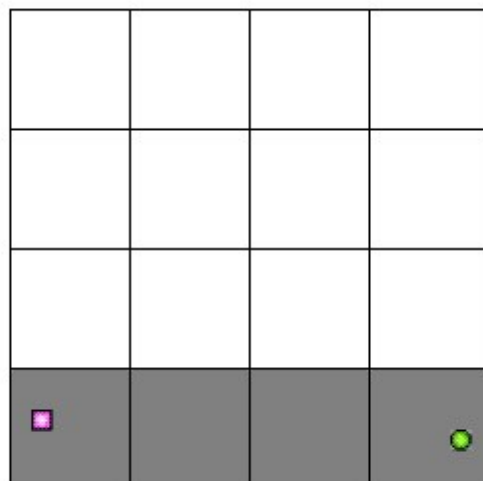
10. Surface Location

UL - Lot P	Section 2	Township 20S	Range 29E	Lot Idn	Feet From 560	N/S Line S	Feet From 330	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 2	Township 20S	Range 29E	Lot Idn M	Feet From 760	N/S Line S	Feet From 330	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: 3/22/2011

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: 1/24/2011

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: ANTHILL AAK STATE COM #003H

API: 30-015-38576

Created By	Comment	Comment Date
MSANDERS	Drill 8 3/4" vertical well to 7800', pick up curve assembly and build curve on 12 degree/100' DLS., landing at 8265' MD (8260' TVD). Reduce hole size to 8 1/2" and drill lateral to TD at 12770' MD (8260' TVD). Run and cement 5 1/2" casing.	3/21/2011
MSANDERS	Estimated penetration point is 412' FWL and 567' FSL, 2-20S-29E. Deepest TVD in the well is 8260' TVD, TD is 12770' MD.	3/21/2011
MSANDERS	C-144 for a Closed Loop System to follow by mail.	3/21/2011
Artesia	Land S/S	3/22/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: ANTHILL AAK STATE COM #003H

API: 30-015-38576

OCD Reviewer	Condition
Artesia	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