

**STATE OF NEW MEXICO
ENERGY, MINERAL AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL OF A
NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

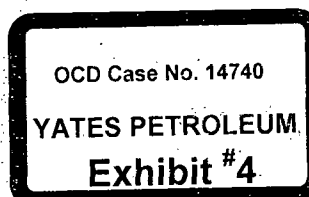
Case No. 14740

AFFIDAVIT OF JOHN HUMPHREY

COUNTY OF EDDY)
) ss.
STATE OF NEW MEXICO)

John Humphrey, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am the petroleum geologist for applicant Yates Petroleum Corporation ("Yates") who is responsible for the Grateful BOD Fed Com #1H horizontal well.
3. Attached hereto as Exhibit A is a structure map on top of the Bone Spring formation that is the target of Yates' Grateful BOD Fed Com #1H well.
4. Attached hereto as Exhibit B is a map showing oil productive wells from the 2nd Bone Springs (from both vertical and horizontal wells). The map shows the range of cumulative oil production from the Bone Springs as of May 2011 (the last available public data).
5. Attached hereto as Exhibit C is a type log for the 2nd Bone Springs for the area around the Grateful BOD Fed Com #1H horizontal well. This type log is from the Sand Tank

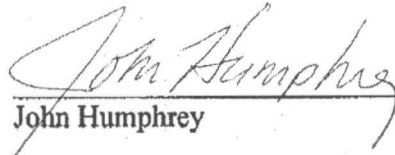


APS Fed Com 2H well directly north of the Grateful BOD Fed Com #1H in Section 12, T18N, R29E (S2 S2).


6. Attached hereto as Exhibit D is the actual horizontal well bore schematic for the Grateful BOD Fed Com #1H well. The horizontal well bore will test a greater reservoir length, thereby increasing the chances for an economic completion. The well has been drilled but is not yet completed.

7. In my opinion, all four quarter-quarter sections in the proposed project area are prospective in the Bone Spring formation. Therefore, Yates anticipates producing reserves from each of the quarter-quarter sections.

8. In my opinion, the pooling of the uncommitted working interests in the proposed project area will avoid the drilling of unnecessary wells and efficiently produce reserves, thereby preventing waste, will protect correlative rights, and will afford each interest owner in the proposed project area the opportunity to recover or receive without unnecessary expense, his, her or its just and fair share of hydrocarbons.


John Humphrey

SUBSCRIBED AND SWORN TO before me this 12th day of October, 2011 by John Humphrey.


Notary Public

My Commission Expires:

4/12/2014



OFFICIAL SEAL
Lorina E. Flores
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 4/12/2014

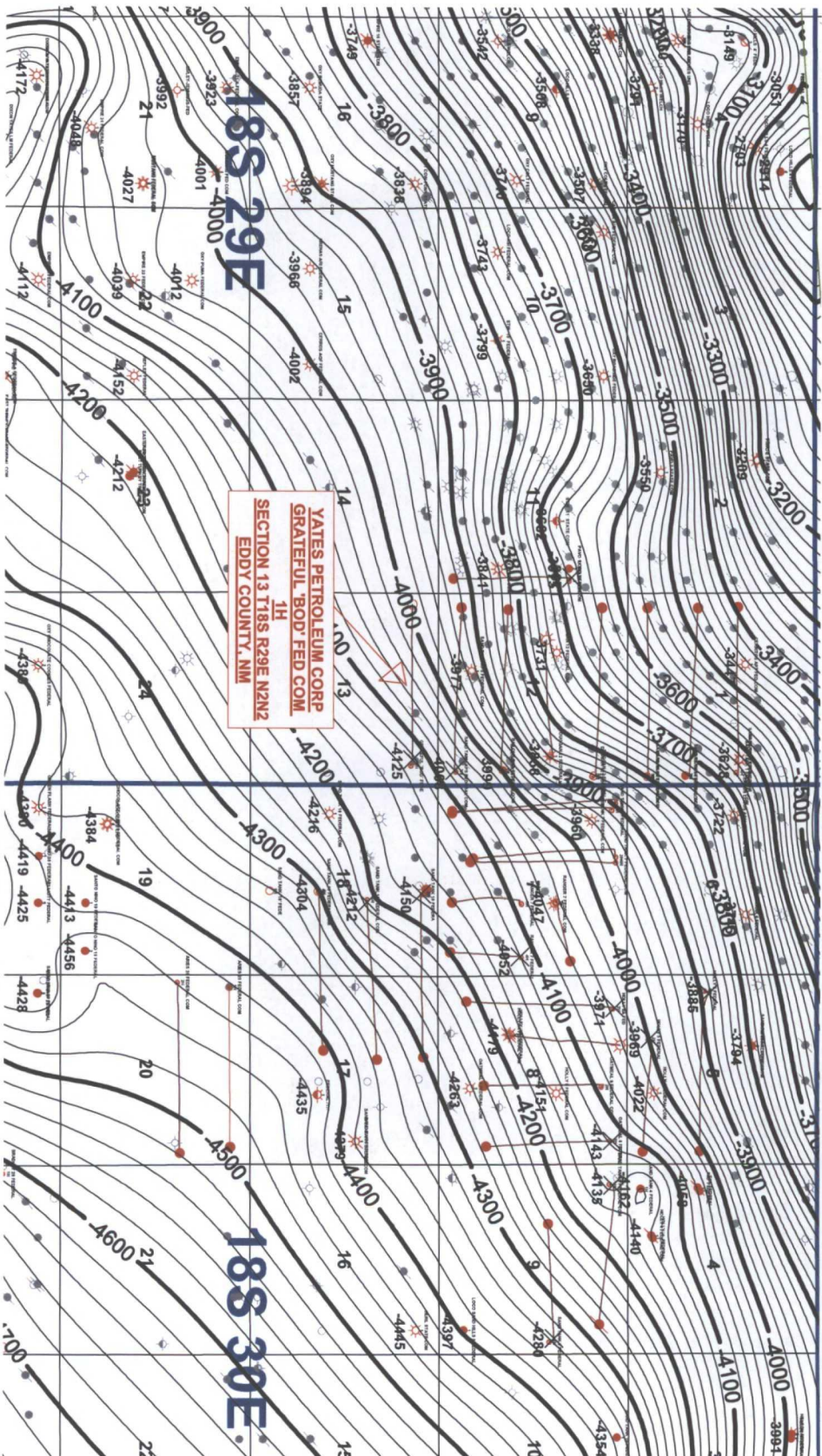
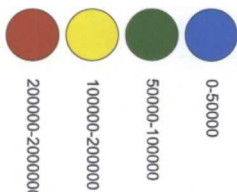


EXHIBIT A. GRATEFUL, 'BOD' FED COM. 1H SECTION 13 T18S R29E N2N2 EDDY COUNTY NEW MEXICO. STRUCTURE TOP OF 2ND BONE SPRINGS. CONTOUR INTERVAL 20 FT. WELLS POSTED IN RED DEEPER THAN 6000 FEET

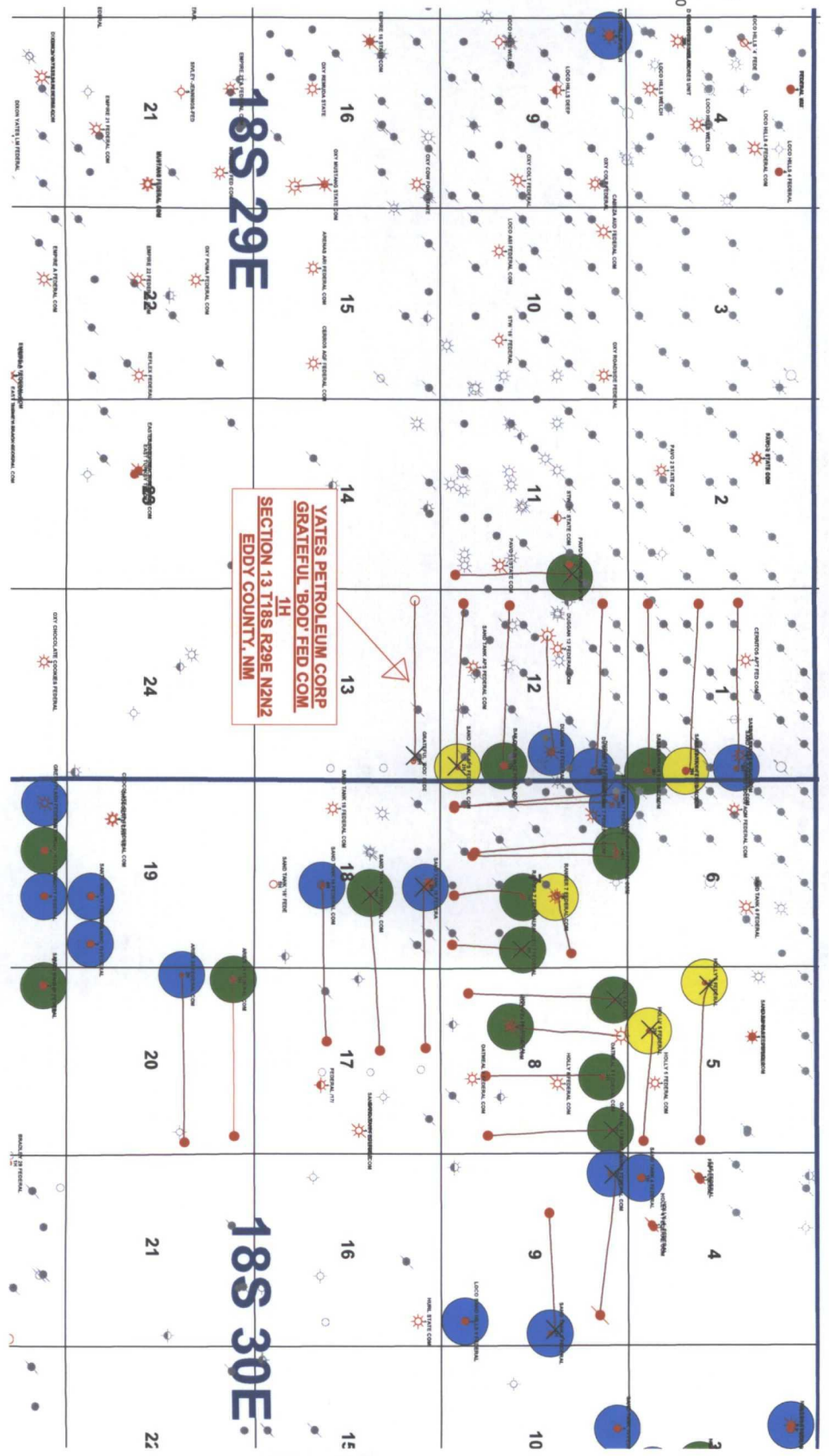
FROM SPRINGS PRODUCTION REPORT, CUMULATIVE PRODUCTION SPRINGS STUDY AREA

Straight hole well

Cum Oil Volume BSPG, Production



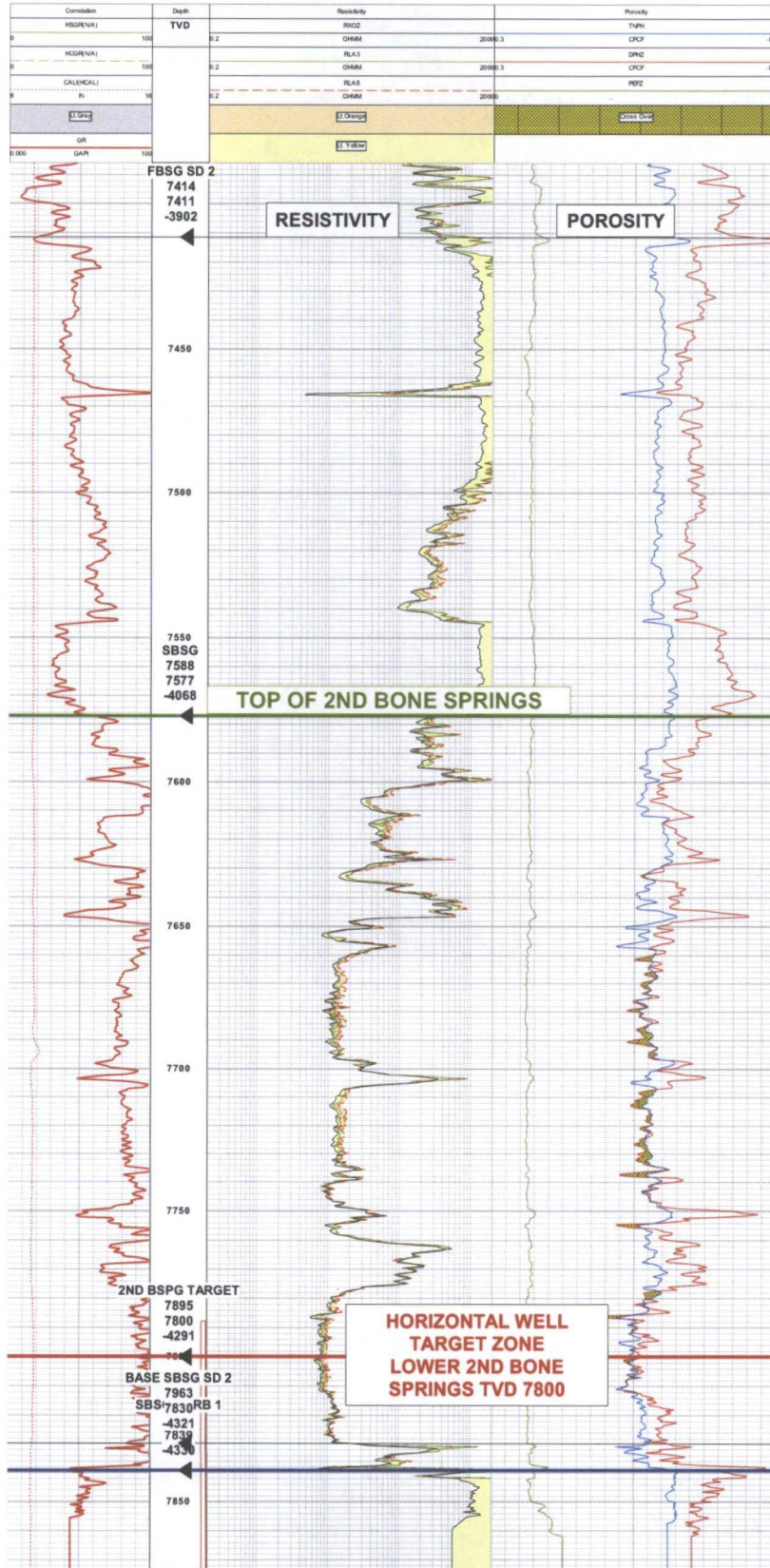
**EXHIBIT B. GRATEFUL, BOD, FED COM 1H SECTION 13 T18S R29E N2N2 EDDY COUNTY NEW MEXICO-
CUMULATIVE OIL PRODUCTION BONE SPRINGS BUBBLE MAP VERTICAL AND HORIZONTAL WELLS- SCALE AT
LEFT. WELLS DEEPER THAN 6000 FEET IN RED**



30015371670000

YATES PETROLEUM CORPORATION
SAND TANK APS FEDERAL COM 2H
SE SE
TWP: 18 S - Range: 29 E - Sec. 12
Cum Oil All Zones: 106822 bbls
Cum Gas All Zones: 248952 MCF
Cum Water All Zones: 12538 bbls
Datum=3509
TD=12203

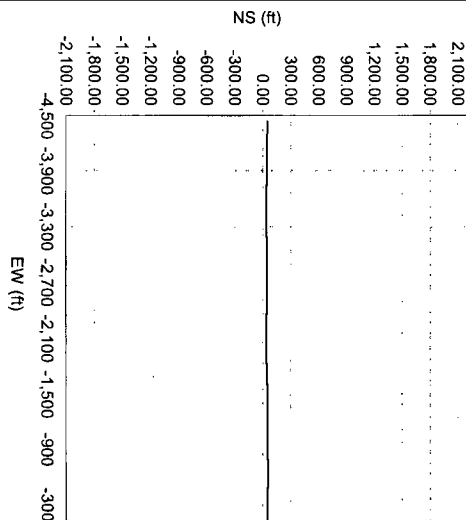
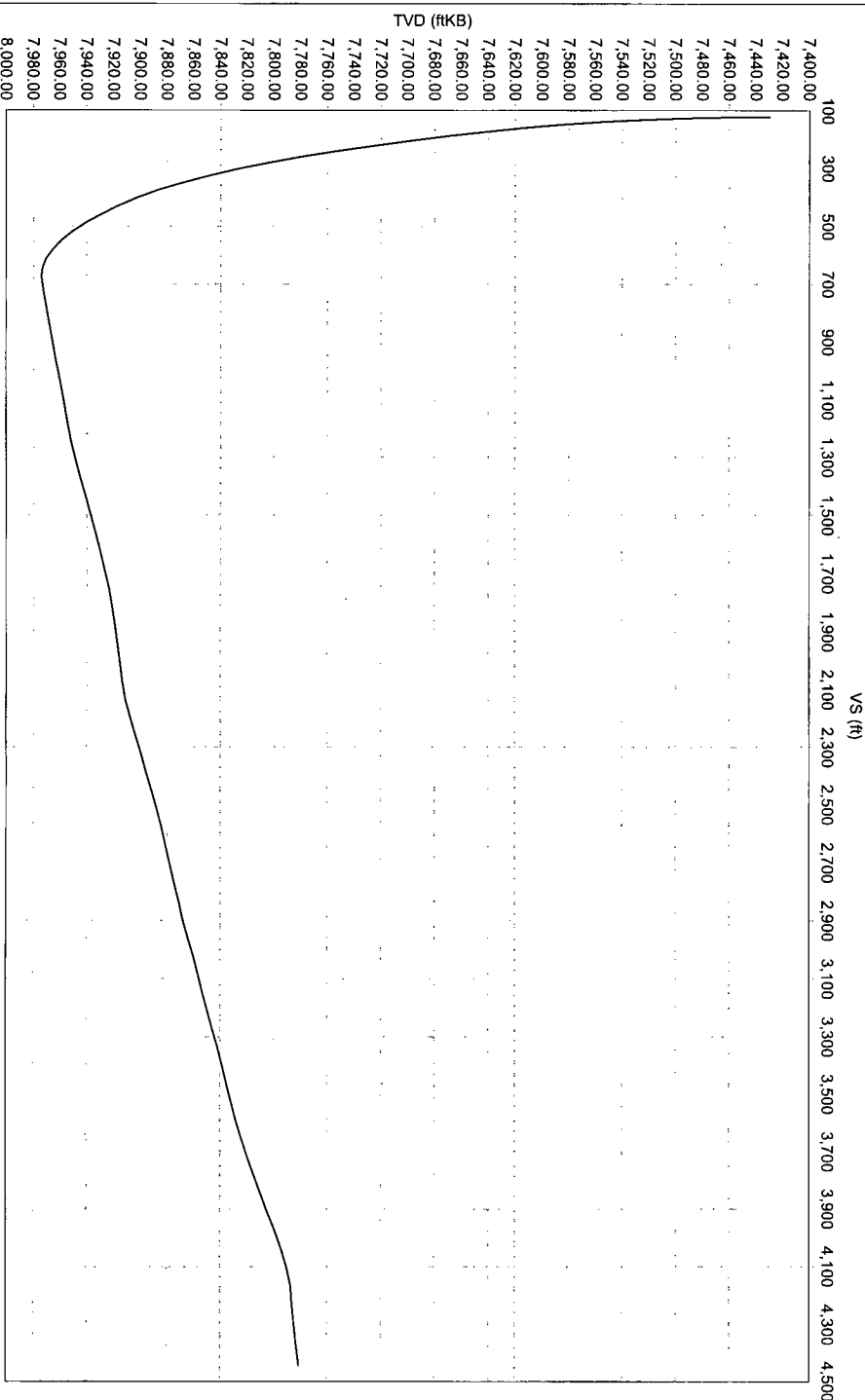
EXHIBIT C TYPE LOG
GRATEFUL 'BOD' FED COM 1
SECTION 13 T18S R29E
EDDY CO, NM
2ND BONE SPRINGS INTERVAL





Directional Survey Plot
GRATEFUL BOD FEDERAL COM #1H
Wellbore - ORIGINAL HOLE

ORIGINAL HOLE		Wellbore Name		Hole Direction		Deviation Survey		Bottom Hole Legal Location		North-South Distance (ft)		From N or S Line		East-West Distance (ft)		From E or W Line		Vertical Section Direction (°)	
ORIGINAL HOLE		ORIGINAL HOLE		HORIZONTAL		MWD Survey		SEC 13/TWN 18S/RNG 29E/UNT D		660.0		FNL		330.0		FWL		271.00	
MWD Survey		Date		7/5/2011 6:30:00 AM		Destination (°)		0.00		MD Tie In (ft)		0.00		Azimuth Tie In (°)		0.00		NS Tie In (ft)	



10080
+ 49500
123500