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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 NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | OIL CONSERVATION DIVISION | |
| | Approved By: Paul Kautz | |
| | Title: Geologist | |
| | Approved Date: 9/24/2008 | Expiration Date: 9/24/2010 |
| | | |
| Printed Name: Electronically filed by Monti Sanders | | |
| Title: | | |
| Email Address: montis@ypcnm.com | | |
| Date: 9/22/2008 | Phone: 575-748-4244 | |

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 82291

WELL LOCATION AND ACREAGE DEDICATION PLAT

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|-------------------------------|---|--|
| 1. API Number 30-025-39174 | 2. Pool Code 97015 | 3. Pool Name EIGHT MILE DRAW, MISSISSIPPIAN (GAS) |
| 4. Property Code 32747 | 5. Property Name KRIS STATE UNIT | 6. Well No. 005 |
| 7. OGRID No. 25575 | 8. Operator Name YATES PETROLEUM CORPORATION | 9. Elevation 4176 |

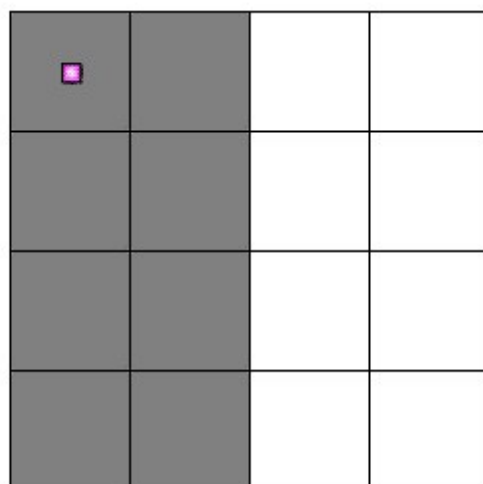
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| D | 27 | 11S | 34E | | 660 | N | 660 | 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 |
|-------------------------------|---------|---------------------|-------|------------------------|-----------|---------------|-----------|----------|--------|
| 12. Dedicated Acres 320.00 | | 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: 9/22/2008

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: 9/20/2008

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: KRIS STATE UNIT #005

API: 30-025-39174

| Created By | Comment | Comment Date |
|------------|--|--------------|
| DCAFFALL | MUD PROGRAM: 0-400' Fresh Water Gel; 400' – 1952' Fresh Water; 1952' – 4150' Red Bed Mud/Oil; 4150' – 7650' Cut Brine; 7650' – 12,430' SW Gel/Starch | 9/19/2008 |
| DCAFFALL | BOPE PROGRAM: A 5000 psi BOP nipped up on 8 5/8" casing. | 9/19/2008 |
| DCAFFALL | Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface to the Chester formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118. | 9/19/2008 |
| DCAFFALL | The new C-144 for Close Loop System that reflects rule changes effective June 16, 2008 will be submitted on paper to the appropriate OCD district office. | 9/19/2008 |
| DCAFFALL | C144 will be faxed and hard copy to follow in mail | 9/22/2008 |
| DMULL | OCD received form C-144 "Pit Registration". OCD Permit Number P1-00507. | 9/24/2008 |