State of New Mexico

Form C-101 Permit 110770

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

	perator Name and Address FROLEUM CORPORATION	2. OGRID Number 25575	
105 S 4TH ST ARTESIA , NM 88210		3. API Number 30-025-39713	
4. Property Code 38073	5. Property Name YELLOW RAIDER BPW 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
A	36	24S	34E	A	660	N	330	E	LEA

8. Pool Information

RED HILLS:BONE SPRING, EAST 97

Additional Well Information

9. Work Type	10. Well Type	11. Cable/Rotary	12. Lesse Type	13. Ground Level Elevation
New Well	OIL		State	3351
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date
N	14015	Bone Spring		3/31/2010
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 I	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	48	950	760	0
Int1	12.25	9.625	40	4300	1425	0
Prod	7.875	5.5	17	14015	2700	2800

Casing/Cement Program: Additional Comments

H2S is not anticipated for this well.

Proposed Blowout Prevention Program

0 27			672
Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

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	OIL CONSERVATION DIVISION		
NMOCD guidelines a general permit or an (attached) alternative	Approved By: Paul Kautz		
Printed Name: Electronically filed by Monti Sanders	Title: Geologist		
Title:	Approved Date: 3/16/2010	Expiration Date: 3/16/2012	
Email Address: montis@yatespetroleum.com			
Date: 3/14/2010 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

Permit 110770

Form C-102

Energy, Minerals and Natural Resources

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

111	LLL LOCATION AND ACI	LAGE DEDICATION	LAI		
1. API Number	2. Pool Code	3. Pool Name RED HILLS;BONE SPRING, EAST		Pool Code 3.	
30-025-39713	97369				
4. Property Code	5. Property	y Name	6. Well No.		
38073	YELLOW RAIDER BPW STATE COM		001H		
7. OGRID No.	8. Operato	r Name	9. Elevation		
25575	YATES PETROLEUN	1 CORPORATION	3351		

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	36	248	34E	1.	660	N	330	E	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
D	36	24S	34E	D	660	N	330	W	LEA
	cated 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

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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: 3/14/2010

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: 3/8/2010 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575 Well: YELLOW RAIDER BPW STATE COM #001H

API: 30-025-39713

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 10800". Well will be plugged back with a 400"-500" kick off plug, then kicked off at approx. 9123" and directionally drilled at 12 degrees per 100" with a 7 7/8" hole to 14015"MD (9800" TVD) where 5 1/2" casing will be set and cemented.	3/12/2010
MSANDERS	Penetration point of producing zone will be encountered at 660° FNL and 807° FEL, 36-24S-34E. Deepest TVD in the well is 10600° in the pilot hole. Deepest TVD in the lateral will be 9600°.	3/12/2010
MSANDERS	MUD PROGRAM: 0-1000' Fresh Water; 1000'-4300' Brine Water; 4300'-10800' Cut Brine; 9123'-14015' Cut Brine (lateral).	3/12/2010
MSANDERS	MAXIMUM ANTICIPATED BHP: 0-950 454 psi; 950-4300 2281 psi; 4300-10600 5016 psi.	3/12/2010
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi system nippled up on 13 3/8" and 9 5/8" casing.	3/12/2010
MSANDERS	C-144 and Directional Drilling Plan to follow by mail.	3/12/2010
DMULL	OCD Hobbs has received form C-144 "Pit Registation". OCD permit Number P1-01859.	3/15/2010