

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-015-38262
4. Property Code 38383	5. Property Name YADDOCK BQY STATE	6. Well No. 001H

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	36	25S	28E	H	1830	N	330	E	EDDY

ROCK SPUR:BONE SPRING	52775
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 2926
14. Multiple N	15. Proposed Depth 11481	16. Formation Bone Spring	17. Contractor	18. Spud Date 11/22/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit:	Liner: Synthetic <input type="checkbox"/> Closed Loop System <input type="checkbox"/>	mils thick <input type="text"/> Clay <input type="text"/>	Pit Volume: <input type="text"/>	bbls Drilling Method: 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	425	
Int1	12.25	9.625	36	2550	860	
Prod	8.5	5.5	17	11481	2400	2050

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 123075

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-38262	2. Pool Code 52775	3. Pool Name ROCK SPUR;BONE SPRING
4. Property Code 38383	5. Property Name YADDOCK BQY STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 2926

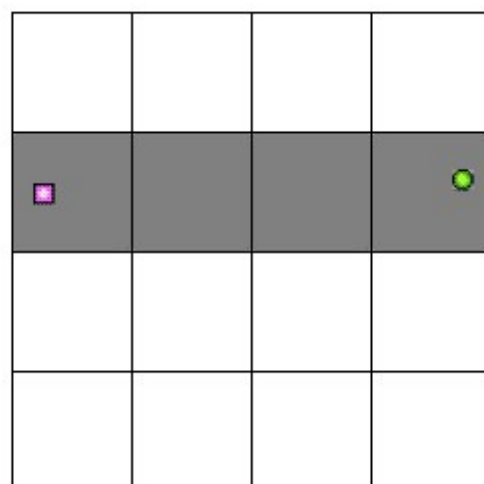
**10. Surface Location**

UL - Lot H	Section 36	Township 25S	Range 28E	Lot Idn	Feet From 1830	N/S Line N	Feet From 330	E/W Line E	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot E	Section 36	Township 25S	Range 28E	Lot Idn E	Feet From 1980	N/S Line N	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: 11/12/2010

**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: 11/2/2010

Certificate Number: 7977

## Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** YADDOCK BQY STATE #001H

**API:** 30-015-38262

Created By	Comment	Comment Date
MSANDERS	Well will be drilled vertically to 6573'. Well will then be kicked off at 6573' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 7400' MD (7050' TVD). If hole conditions dictate 7" casing will be set. A 6 1/8" hole will then be drilled to 11481' MD (7050' TVD) where 4 1/2" casing will be set and cemented.	11/12/2010
MSANDERS	If 7" is not set, then hole size will be reduced to 8 1/2" and drilled to 11481' MD (7050' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 1845' FNL and 807' FEL, 36-25S-28E. Deepest TVD in the well is 7050' in the lateral.	11/12/2010
MSANDERS	MUD PROGRAM: 0-400' Fresh Water; 400'-2550' Brine Water; 2550'-6573' Cut Brine (to TD of pilot hole); 6573'-11481' Cut Brine (lateral). PRESSURE CONTROL EQUIPMENT: 3000 psi system nipped up on 13 3/8" and 9 5/8" casing.	11/12/2010
MSANDERS	MAXIMUM ANTICIPATED BHP: 0-400 191 psi; 400-2550 1353 psi; 2550-7050 3299 psi.	11/12/2010
MSANDERS	C-144 for a Closed Loop System, Contingency Casing Design Plan and Drilling Plan to follow by mail.	11/12/2010
MSANDERS	Lease #VB-0807 Expiring 12/1/10	11/12/2010



# Permit Conditions of Approval

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** YADDOCK BQY STATE #001H

**API:** 30-015-38262

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