

Permit Conditions Of Approval

C-101, Permit 1067

Operator: YATES PETROLEUM CORPORATION , 25575

Well: KILLER BEE STATE COM. #001

| OCD Reviewer | Condition |
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| BARRANT | Notify OCD time of spud and time to witness the cementing of the surface casing. |
| BARRANT | Notice is to be given to the OCD prior to construction of the pit(s) |
| BARRANT | Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| BARRANT | Cement to cover the Glorieta formation. |