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|---|--|-------------------------------|
| 1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210 | | 2. OGRID Number 25575 |
| | | 3. API Number 30-015-37209 |
| 4. Property Code 37773 | 5. Property Name JUNIOR AWW STATE COM | 6. Well No. 001 |

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|----------------|
| UL - Lot K | Section 17 | Township 16S | Range 28E | Lot Idn K | Feet From 1980 | N/S Line S | Feet From 1980 | E/W Line W | County EDDY |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|----------------|

| | |
|-------------------|-------|
| Crow Flats Morrow | 75720 |
|-------------------|-------|

| | | | | |
|--|----------------------------|--|-------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type GAS | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3550 |
| 14. Multiple N | 15. Proposed Depth 9600 | 16. Formation Morrow | 17. Contractor | 18. Spud Date |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |
| Pit: Liner: Synthetic <input type="checkbox"/> mills thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> 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 | 12.25 | 8.625 | 24 | 1900 | 650 | |
| Prod | 7.875 | 4.5 | 11.6 | 9700 | 600 | 5500 |

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 1900' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 3000 | 3000 | |

| | |
|----------------|---------------------|
| Date: 8/5/2009 | 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 100053

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---|-----------------------------------|
| 1. API Number 30-015-37209 | 2. Pool Code 75720 | 3. Pool Name Crow Flats Morrow |
| 4. Property Code 37773 | 5. Property Name JUNIOR AWW STATE COM | 6. Well No. 001 |
| 7. OGRID No. 25575 | 8. Operator Name YATES PETROLEUM CORPORATION | 9. Elevation 3550 |

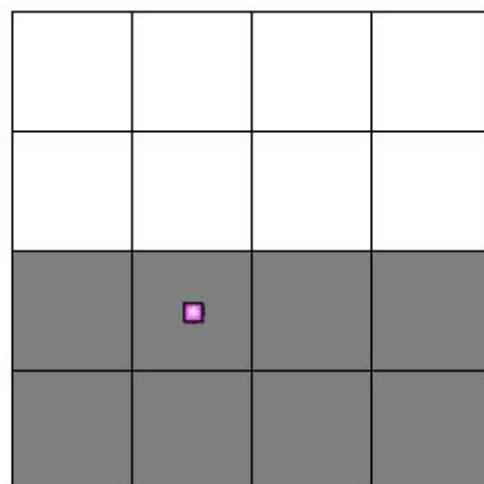
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| K | 17 | 16S | 28E | | 1980 | S | 1980 | W | EDDY |

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: 8/5/2009

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: Dan Reedy

Date of Survey: 11/14/2000

Certificate Number: 5412

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: JUNIOR AWW STATE COM #001

API: 30-015-37209

| Created By | Comment | Comment Date |
|------------|---|--------------|
| MSANDERS | MUD PROGRAM: 0-1900' Fresh Water; 1900'-8500' Cut Brine; 8500'-TD Salt Gel/Starch. | 8/3/2009 |
| MSANDERS | BOPE PROGRAM: A 3000# BOPE will be installed on the 8 5/8" casing and tested daily. | 8/3/2009 |
| MSANDERS | No H2S is anticipated. | 8/3/2009 |
| MSANDERS | C-144 for a Closed Loop System to follow by mail. | 8/3/2009 |