State of New Mexico

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

YATES PETRO	or Name and Address LEUM CORPORATION	2. OGRID Number 25575	
C 153 207	5 8 4TH ST SIA , NM 88210	3. API Number 30-015-37537	
4. Property Code 38009	5. Property Name MADURO BOZ STATE	6. Well No. 001H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	10	25S	27E	P	660	S	330	E	EDDY

8. Pool Information

Wildcat Bone Spring 0

Additional Well Information

9. Work Type 10. Well Type New Well OIL		11. Cable/Rot	ary 12. Lease Type State	13. Ground Level Elevation 3178
14. Multiple N	15. Proposed De 8755	pth 16. Format Bone Spri		18. Spud Date
Depth to Ground	water	Distance from near	est fresh water well	Distance to nearest surface water
Liner: Synthetic Closed Loop Syste	mils	hick Clay Pit Volume:	bbls Drilling Method:	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	400	400	0
Int1	12.25	9.625	36	2400	850	0
Prod	8.75	5.5	17	8755	1830	1900

Casing/Cement Program: Additional Comments

H2S is not anticipated on this well.

Proposed Blowout Prevention Program

Г	Type	Working Pressure	Test Pressure	Manufacturer
	DoubleRam	3000	3000	

of my knowledge and belief.	tion given above is true and complete to the best ling pit will be constructed according to	OIL CONSERVATION DIVISION Approved By: Jacqueta Reeves				
	eral permit , or an (attached) alternative					
Printed Name: Electronica	ally filed by Monti Sanders	Title: District Geologist				
Title:		Approved Date: 2/2/2010	Expiration Date: 2/2/2012			
Email Address: montis@	yatespetroleum.com					
Date: 1/11/2010	Phone: 575-748-4244					

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District I

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37537	2. Pool Code	3. Pool Name Wildcat Bone Spring		
4. Property Code 38009		5. Property Name MADURO BOZ STATE		
7. OGRID No. 25575	8. Operator Nam YATES PETROLEUM CO		9. Elevation 3178	

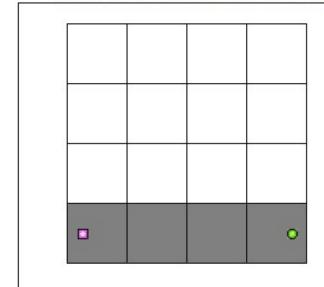
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	10	25S	27E	1.	660	S	330	E	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
M	10	25S	27E	M	660	S	330	W	EDDY
V. 100 100 100 100 100 100 100 100 100 10	cated Acres 0.00	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



OPERATOR CERTIFICATION

Form C-102

Permit 107358

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: 1/11/2010

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: 12/9/2009 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575 Well: MADURO BOZ STATE #001H

API: 30-015-37537

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 8500". Well will be plugged back with a 400"-500" kick off, then kicked off at aproximately 6503" and directionally drilled at 12 degrees per 100" with a 8 3/4" hole to 7253 MD(6980" TVD). If hole conditions dictate, 7" casing will be set.	12/31/2009
MSANDERS	A 6 1/8" hole will then be drilled to 8755' MD(6980' TVD) where 4 1/2" casing will be set and comented. If 7" is not set, then hole size will be reduced to 7 7/8" and drilled to 8755 MD (6980' TVD) where 5 1/2" casing will be set and comented.	12/31/2009
MSANDERS	Penetration point of producing zone will be encountered at 660' FSL and 808' FEL, 10-25S- 27E. Deepest TVD in the well is 8500' in the pilot hole. Deepest TVD in the lateral will be 6980'.	12/31/2009
MSANDERS	MUD PROGRAM: 0-400' Fresh Water; 400'-2400' Brine Water; 2400'-8500' Cut Brine (to TD of pilot hole); 6503'-8755' Cut Brine (lateral). BOPE PROGRAM: 3000 psi system nippled up on 13 3/8" and 9 5/8" casing.	12/31/2009
MSANDERS	MAXIMUM ANTICIPATED BHP: 0-400' 191 psi; 400'-2400' 1273 psi; 2400'-8500' 4111 psi. Depths are TVD.	12/31/2009
MSANDERS	C-144, Casing Design and Directional Drilling Plann to follow by mail.	12/31/2009