

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 NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Monti Sanders		Approved By: Jacqueta Reeves	
Title:		Title: District Geologist	
Email Address: montis@yatespetroleum.com		Approved Date: 2/3/2010 Expiration Date: 2/3/2012	
Date: 1/14/2010 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
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 107968

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37550	2. Pool Code	3. Pool Name Avalon Shale
4. Property Code 38014	5. Property Name SPANIEL BPB STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3667

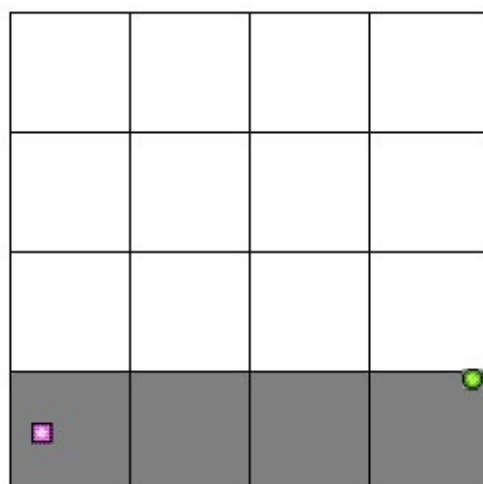
10. Surface Location

UL - Lot P	Section 16	Township 26S	Range 25E	Lot Idn	Feet From 1250	N/S Line S	Feet From 200	E/W Line E	County EDDY
---------------	---------------	-----------------	--------------	---------	-------------------	---------------	------------------	---------------	----------------

11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 16	Township 26S	Range 25E	Lot Idn M	Feet From 660	N/S Line S	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: 1/14/2010

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: 1/9/2010

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: SPANIEL BPB STATE COM #001H

API: 30-015-37550

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 7000'. Well will be plugged back with a 400'-500' kick off plug, then kicked off at approximately 4373' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 9432' MD (4850' TVD) where 5 1/2" casing will be set and cemented.	1/14/2010
MSANDERS	Penetration point of producing zone will be encountered at 1191' FSL and 674' FEL, 16-26S-25E. Deepest TVD in the well is 7000' in the pilot hole. Deepest TVD in the lateral will be 4850'.	1/14/2010
MSANDERS	MUD PROGRAM: 0-350' Fresh Water; 350'-1400' Brine Water; 1400'-7000' Cut Brine (to TD of pilot hole); 4373'-9432' Cut Brine (lateral).	1/14/2010
MSANDERS	BOPE PROGRAM: 3000 psi system nipples up on 11 3/4" and 8 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-350' 158 psi; 350'-1400' 743 psi; 1400'-7000' 3385 psi. Depths are TVD.	1/14/2010
MSANDERS	C-144 for Closed Loop System, Casing Design and Directional Drilling Plan to follow by mail.	1/14/2010