

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-015-37591
4. Property Code 38037	5. Property Name SHERPA BOY STATE	6. Well No. 001H

UL - Lot D	Section 12	Township 25S	Range 27E	Lot Idn D	Feet From 660	N/S Line N	Feet From 330	E/W Line W	County EDDY
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Avalon Shale	
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3113
14. Multiple N	15. Proposed Depth 8815	16. Formation Bone Spring	17. Contractor	18. Spud Date 3/1/2010
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	17.5	13.375	48	400	400	0
Int1	12.25	9.625	36	2500	850	0
Prod	8.75	5.5	17	8815	1830	2000

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

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 108812

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37591	2. Pool Code	3. Pool Name Avalon Shale
4. Property Code 38037	5. Property Name SHERPA BOY STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3113

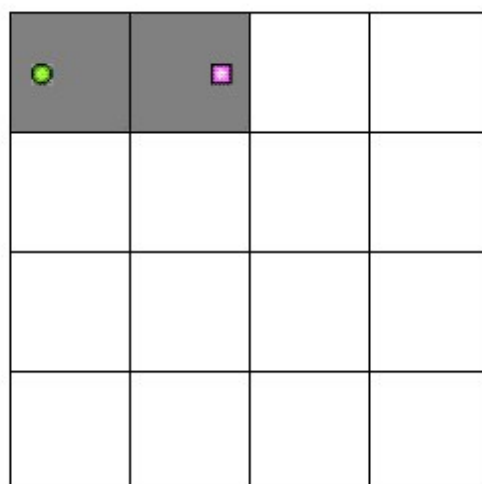
10. Surface Location

UL - Lot D	Section 12	Township 25S	Range 27E	Lot Idn	Feet From 660	N/S Line N	Feet From 330	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 12	Township 25S	Range 27E	Lot Idn C	Feet From 660	N/S Line N	Feet From 2310	E/W Line W	County EDDY
12. Dedicated Acres 80.00		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: 2/2/2010

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: 12/11/2009

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: SHERPA BOY STATE #001H

API: 30-015-37591

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 approx. 6563' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 7313 MD (7040' TVD). If hole conditions dictate, 7" casing will be set.	2/2/2010
MSANDERS	A 6 1/8" hole will then be drilled to 8815' MD (7040' TVD) where 4 1/2" casing will be set and cemented. If 7" is not set, then hole size will be reduced to 7 7/8" and drilled to 8815' MD (7040' TVD) where 5 1/2" casing will be set and cemented.	2/2/2010
MSANDERS	Penetration point of producing zone will be encountered at 660' FNL and 808' FWL, 12-25S-27E. Deepest TVD in the well is 8500' in the pilot hole. Deepest TVD in the lateral will be 7040'.	2/2/2010
MSANDERS	MUD PROGRAM: 0-400' Fresh Water; 400'-2500' Brine Water; 2500'-8500' Cut Brine (to TD of pilot hole); 6575'-8815' Cut Brine (lateral).	2/2/2010
MSANDERS	PRESSURE CONTROL: 3000 psi system nipped up on 13 3/8" and 9 5/8" casing.	2/2/2010
MSANDERS	C-144 for Closed Loop System, Contingency Casing Design and Directional Drilling Plan.	2/2/2010