

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	
	Approved By: Paul Kautz	
Printed Name: Electronically filed by Monti Sanders	Title: Geologist	
Title:	Approved Date: 3/23/2010	Expiration Date: 3/23/2012
Email Address: montis@yatespetroleum.com		
Date: 3/19/2010	Phone: 575-748-4244	

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**District IV**  
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 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 111205

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-39716	2. Pool Code 96434	3. Pool Name RED HILLS;BONE SPRING, NORTH
4. Property Code 38003	5. Property Name RED RAIDER BKS STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3566

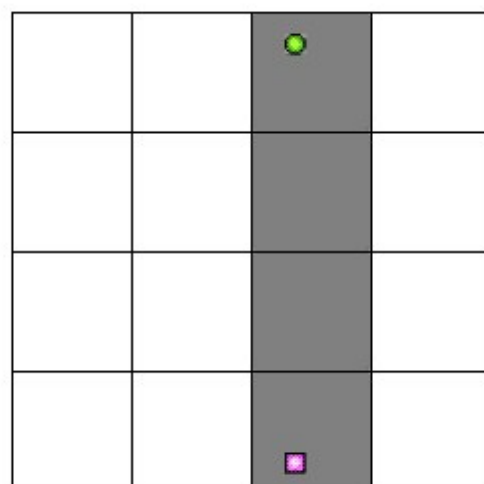
**10. Surface Location**

UL - Lot B	Section 25	Township 24S	Range 33E	Lot Idn	Feet From 330	N/S Line N	Feet From 2180	E/W Line E	County LEA
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**11. Bottom Hole Location If Different From Surface**

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UL - Lot O	Section 25	Township 24S	Range 33E	Lot Idn O	Feet From 330	N/S Line S	Feet From 2180	E/W Line E	County LEA
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: 3/19/2010

**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: 3/18/2010

Certificate Number: 7977

## Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** RED RAIDER BKS STATE #002H

**API:** 30-025-39716

Created By	Comment	Comment Date
MSANDERS	Drill vertically to 8923'. Well will then be kicked off at 8923' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 9673' MD (9400' TVD). Hole size will then be reduced to 7 7/8" and drilled to 13815' MD (9400 TVD)where 5 1/2" casing will be sent and cemented.	3/19/2010
MSANDERS	Penetration point of producing zone will be encountered at 807' FNL and 2180' FEL, 25-24S-33E. Deepest TVD in the well is 9400' in the lateral.	3/19/2010
MSANDERS	MAXIMUM ANTICIPATED BHP: 0-1200 574 psi; 1200-4300 2281 psi; 4300-9400 4399 psi.	3/19/2010
MSANDERS	MUD PROGRAM: 0-1000' Fresh Water; 1000'-4300' Brine Water; 4300'-8923' Cut Brine; 8923'-13815' Cut Brine (lateral).	3/19/2010
MSANDERS	C-144 for Closed Loop System and Directional Drilling Planner to follow by mail.	3/19/2010
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi nipples up on 13 3/8" and 9 5/8" casing.	3/19/2010
DMULL	OCD Hobbs has received form C-144 "Pit Registration". OCD Permit Number P1-01879.	3/23/2010