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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 113667

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37849	2. Pool Code 96032	3. Pool Name WILDCAT; GROUP 1
4. Property Code 38165	5. Property Name HERRADURA BQB STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3734

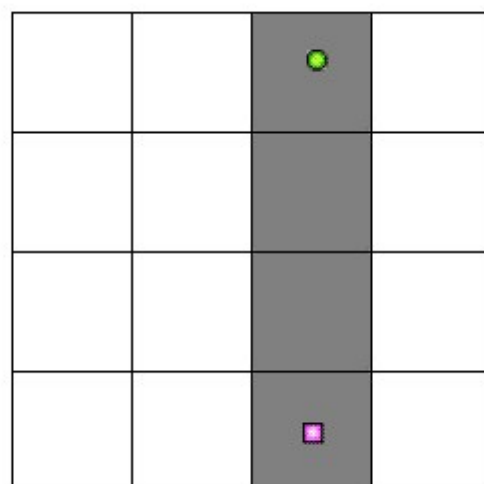
10. Surface Location

UL - Lot B	Section 4	Township 24S	Range 25E	Lot Idn	Feet From 510	N/S Line N	Feet From 1930	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot O	Section 4	Township 24S	Range 25E	Lot Idn O	Feet From 660	N/S Line S	Feet From 1980	E/W Line E	County EDDY
12. Dedicated Acres 160.65		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: 5/14/2010

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: 5/8/2010

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: HERRADURA BQB STATE #001H

API: 30-015-37849

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 6200'. Well will be plugged back with 400'-500' kick off plug at approx. 5073' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 5823' MD (5550' TVD). If hole conditions dictate, 7" casing will be set.	5/14/2010
MSANDERS	A 6 1/8" hole will then be drilled to 9455' MD (5550' 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 9455' MD (5550' TVD) where 5 1/2" casing will be set and cemented.	5/14/2010
MSANDERS	Penetration point of producing zone will be encountered at 987' FNL and 1936' FEL, 4-24S-25E. Deepest TVD in the well is 6200' in the pilot hole. Deepest TVD in the lateral will be 5550'.	5/14/2010
MSANDERS	MUD PROGRAM: 0-450' Fresh Water; 450'-2550' Brine Water; 2550'-6200' Cut Brine (to TD of pilot hole); 5073'-9455' Cut Brine (lateral)	5/14/2010
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi system will be nipped up on 13 3/8" and 9 5/8" casing.	5/14/2010
MSANDERS	MAXIMUM ANTICIPATED BHP: 0-450 206 psi; 450-2550 1246 psi; 2550-6200 3031 psi.	5/14/2010
MSANDERS	C-144 for a Closed Loop System, Contingency Casing Design Plan and Drilling Plan to follow by mail.	5/14/2010