

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 NMOCD 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: 11/8/2010	Expiration Date: 11/8/2012
Email Address: montis@yatespetroleum.com		
Date: 11/4/2010	Phone: 575-748-4244	

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 1625 N. French Dr., Hobbs, NM 88240
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District III
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 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 122609

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39947	2. Pool Code 96403	3. Pool Name WILDCAT;BONE SPRING
4. Property Code 38375	5. Property Name QUIJOTE BQJ STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3331

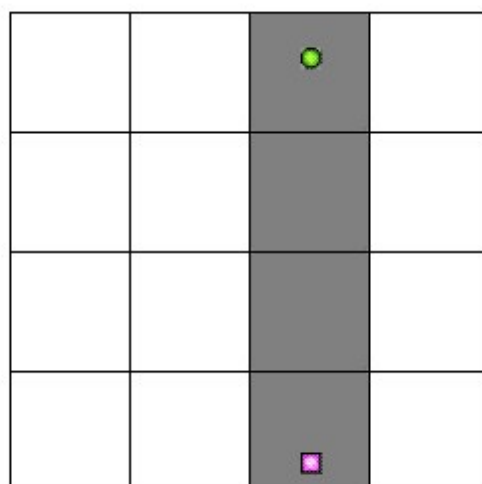
10. Surface Location

UL - Lot B	Section 2	Township 26S	Range 32E	Lot Idn	Feet From 480	N/S Line N	Feet From 1980	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot O	Section 2	Township 26S	Range 32E	Lot Idn O	Feet From 330	N/S Line S	Feet From 1980	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: 11/4/2010

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: 9/2/2010

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: QUIJOTE BQJ STATE COM #001H

API: 30-025-39947

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 10400'. Well will be plugged back with a 400'-500' kick off plug, then kicked off at approximately 9373' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 10200' MD (9850' TVD). If hole conditions dictate, 7" casing will be set and cemented.	11/4/2010
MSANDERS	A 6 1/8" hole will then be drilled to 14185' MD (9850' TVD), where 4 1/2" will be set. If 7" is not set then hole will be reduced to 7 7/8" and drilled to 14185' MD (9850' TVD), where 5 1/2" casing will be set and cemented.	11/4/2010
MSANDERS	Penetration point of producing zone will be encountered at 957' FNL and 1980' FEL, 2-26S-32E. Deepest TVD in the well is 10400' in the pilot hole. Deepest TVD in the lateral will be 9850'.	11/4/2010
MSANDERS	MUD PROGRAM: 0-750' Fresh Water; 750'-4750' Brine Water; 4750'-10400' Cut Brine; 9373'-14185' Cut Brine(lateral). PRESSURE CONTROL EQUIPMENT: 3000 psi system nipped up on 13 3/8" and 9 5/8" casing.	11/4/2010
MSANDERS	C-144 for a Closed Loop System, Contingency Casing Design Plan and Drilling Plan to follow by mail.	11/4/2010
DMULL	OCD Hobbs has received form C-144CLEZ. OCD Permit Number P1-02605.	11/8/2010
DMULL	OPERATOR: Please do not report production under this temporary pool code until you have checked with the OCD District I Geologist Paul Kautz and he confirms where your perfs are producing from and gives you the correct pool code.	11/8/2010