State of New Mexico

Form C-101 Permit 124004

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

	r Name and Address LEUM CORPORATION	OGRID Number 25575	
105 S 4TH ST ARTESIA , NM 88210		3. API Number	
AKILO	14,1111 60210	30-025-39985	
4. Property Code	5. Property Name	6. Well No.	
35136	MILSAP STATE UNIT	004	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	25	12S	33E	J	2310	S	1980	E	LEA

8. Pool Information

HIGH TOWER: PERIMO PENN 3133	HIGHTOWER:PERMO PENN	31350
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Additional Well Information

9. Work Type	10. Well Type	11. Cable/Rotary	12. Lesse Type	13. Ground Level Elevation		
New Well	OIL		State	4227		
14. Multiple	15. Proposed Depth	16. Formation	16. Formation 17. Contractor Pennsylvanian			
N	10100	Pennsylvanian				
Depth to Ground	water	Distance from nearest fr	esh water well	Distance to nearest surface water		
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay Pit Volume:	bbls Drilling Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air		

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	400	275	0
Int1	11	8.625	32	4200	1155	0
Prod	7.875	5.5	17	10100	1075	3700

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

9	3.3			672
	Type	Working Pressure	Test Pressure	Manufacturer
	DoubleRam	5000	5000	

of my knowledge and belief.	given above is true and complete to the best oit will be constructed according to	OIL CONSERVATION DIVISION				
	permit or an (attached) alternative	Approved By: Paul Kautz				
Printed Name: Electronically f	filed by Monti Sanders	Title: Geologist				
Title:	#74 D F F G T D F F G	Approved Date: 12/17/2010	Expiration Date: 12/17/2012			
Email Address: montis@yates	spetroleum.com	[17]				
Date: 12/9/2010	Phone: 575-748-4244					

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

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

Form C-102 Permit 124004

Energy, Minerals and Natural Resources Oil Conservation Division

1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39985	2. Pool Code 31350	3. Pool Name HIGHTOWER;PERMO PENN			
4. Property Code 35136	5. Property Name MILSAP STATE UNIT		6. Wett No. 004		
7. OGRID No. 25575	8. Operator YATES PETROLEUM		9. Elevation 4227		

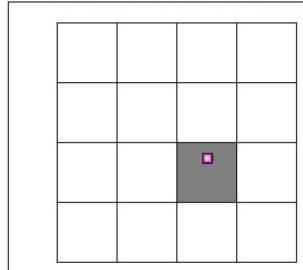
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	25	12S	33E		2310	S	1980	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
V. 100 100 100 100 100 100 100 100 100 10	cated Acres	13. 1	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

Date: 12/9/2010

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: 12/1/2010 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575 Well: MILSAP STATE UNIT #004

API: 30-025-39985

Created By	Comment	Comment Date
dif	Logging: CNL/LDT/NGT TD to intermediate casing, CNL/GR TD to surface, DLL-MSFL TD to surface casing, BHC TD to surface casing. DST's: None Cores: None Mudlogging: TBA Samples: TBA	12/9/2010
dif	Maximum Anticipated BHP: 0' to 400'180 PSI 400' to 2000'2270PSI 4200' to 10100' 8855 PSI	12/9/2010
dif	I have been informed that there is no H2S anticipated while drilling this well.	12/9/2010