

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-015-38419
4. Property Code 38457	5. Property Name COLTRANE BQR STATE COM	6. Well No. 001H

UL - Lot P	Section 36	Township 25S	Range 31E	Lot Idn P	Feet From 430	N/S Line S	Feet From 660	E/W Line E	County EDDY
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WILDCAT:BONE SPRING	96403
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3299
14. Multiple N	15. Proposed Depth 12791	16. Formation Bone Spring	17. Contractor	18. Spud Date 2/1/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls 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	1050	800	0
Int1	12.25	9.625	40	4300	1425	0
Prod	7.875	5.5	17	12791	2060	3900

H2S is NOT anticipated for this well.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

Conditions of Approval Attached

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 125702

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38419	2. Pool Code 96403	3. Pool Name WILDCAT;BONE SPRING
4. Property Code 38457	5. Property Name COLTRANE BQR STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3299

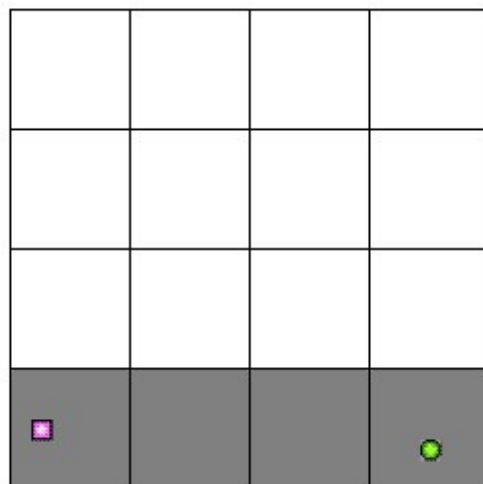
10. Surface Location

UL - Lot P	Section 36	Township 25S	Range 31E	Lot Idn	Feet From 430	N/S Line S	Feet From 660	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 36	Township 25S	Range 31E	Lot Idn M	Feet From 660	N/S Line S	Feet From 330	E/W Line W	County EDDY
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: 1/14/2011

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: 11/12/2010

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: COLTRANE BQR STATE COM #001H

API: 30-015-38419

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 9500'. Well will be plugged back with a 400'-500' kick off plug, then kicked off at aprox. 8223' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 12791' MD (8700' TVD) where 5 1/2" casing will be set and cemented.	1/13/2011
MSANDERS	Penetration point of producing zone will be encountered at 456' FSL and 1137' FEL, 36-25S-31E. Deepest TVD in the well is 9500' in the pilot hole. Deepest TVD in the lateral will be 8700'.	1/13/2011
MSANDERS	MUD PROGRAM: 0-1050' Fresh Water; 1050'-4300' Brine Water; 4300'-9500' Cut Brine; 8223'-12791' Cut Brine (lateral).	1/13/2011
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi system nipped up on 13 3/8" and 9 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-1050' 502 psi; 1050'-4300' 2281 psi; 4300'-9500' 4545 psi. Depths are TVD.	1/13/2011
MSANDERS	C-144 for a Closed Loop System and Drilling Plan to follow by mail.	1/14/2011
Artesia	Land S/S	1/14/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: COLTRANE BQR STATE COM #001H

API: 30-015-38419

OCD Reviewer	Condition
Artesia	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string