

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	
Printed Name: Electronically filed by Monti Sanders		Approved By: Paul Kautz	
Title:		Title: Geologist	
Email Address: montis@yatespetroleum.com		Approved Date: 2/11/2011 Expiration Date: 2/11/2013	
Date: 2/7/2011 Phone: 575-748-4244		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 126821

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40054	2. Pool Code 97784	3. Pool Name WILDCAT G-06 S253201N;BONE SPRING
4. Property Code 38470	5. Property Name BASILISK BQS STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3557

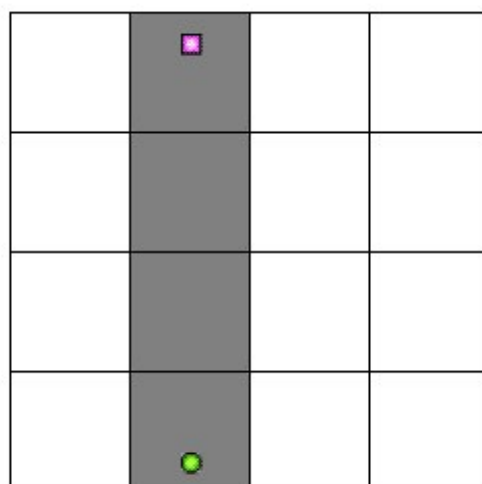
10. Surface Location

UL - Lot N	Section 36	Township 24S	Range 32E	Lot Idn	Feet From 330	N/S Line S	Feet From 1980	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 36	Township 24S	Range 32E	Lot Idn C	Feet From 330	N/S Line N	Feet From 1980	E/W Line W	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: 2/7/2011

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: 11/24/2010

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BASILISK BQS STATE COM #001H

API: 30-025-40054

Created By	Comment	Comment Date
MSANDERS	Drill vertically to 8743'. Well will then be kicked off at 8743' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 9500' MD (9220' TVD). Hole size will then be reduced to 8 1/2" and drilled to 13,635' MD (9220' TVD) where 5 1/2" casing will be set and cemented.	2/7/2011
MSANDERS	Penetration point of producing zone will be encountered at 807' FSL and 1980' FWL, 36-24S-32E. Deepest TVD in the well is 9220' in the lateral. End of lateral TVD = 9220' and MD = 13,635'.	2/7/2011
MSANDERS	MUD PROGRAM: 0-825' Fresh Water; 825'-4650' Brine Water; 4650'-8743' Cut Brine; 8743'-13635' Cut Brine (lateral).	2/7/2011
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi system nipped up 13 3/8" and 9 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-825' 395 psi; 825'-4650' 2466 psi; 4650'-9220' 4315 psi.	2/7/2011
MSANDERS	C-144 for a Closed Loop System and Drilling Plan to follow by mail.	2/7/2011
DMULL	OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-02899.	2/11/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BASILISK BQS STATE COM #001H

API: 30-025-40054

OCD Reviewer	Condition
pkautz	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
pkautz	Surface casing must be set 25' below top Rustler Anhydrite