

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: 3/2/2011 Expiration Date: 3/2/2013	
Date: 2/28/2011 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 127977

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40073	2. Pool Code 97791	3. Pool Name WILDCAT;MISSISSIPPIAN (GAS)
4. Property Code 38511	5. Property Name GAMBLER STATE UNIT	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4401

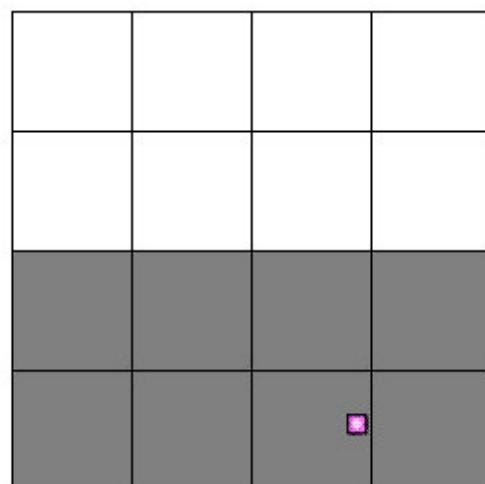
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	32	11S	32E		750	S	1500	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		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: 2/28/2011

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: 2/14/2011

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: GAMBLER STATE UNIT #001

API: 30-025-40073

Created By	Comment	Comment Date
MSANDERS	Well drilled vertically to 11350'. Well will be evaluated & if comercial 5 1/2" casing will be ran & cemented.	2/25/2011
MSANDERS	MUD PROGRAM: 0-400' Fresh Water; 400'-1400' Fresh Water; 1400'-3650' Red Bed Mud; 3650'-7200' Cut Brine; 7200'-10500' Salt Gel & Starch; 10500'-11350' Salt Gel & Starch.	2/25/2011
MSANDERS	PRESSUE CONTROL EQUIPMENT: 3000 psi system nipped up on 11 3/4" and 8 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-400' 191 psi; 400'-3650' 2100 psi; 3650'-11350' 4300 psi. Depths are TVD.	2/25/2011
MSANDERS	C-144 for a Closed Loop System to follow by mail.	2/25/2011
pkautz	Land S/S	3/1/2011
DMULL	OCD HOBBS OFFICE HAS RECD FORM C-144 CLEZ.OCD PERMIT # P1-02966	3/2/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: GAMBLER STATE UNIT #001

API: 30-025-40073

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