

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-015-38564
4. Property Code 38535	5. Property Name SQUIB BQU STATE COM	6. Well No. 001H

UL - Lot N	Section 16	Township 24S	Range 31E	Lot Idn N	Feet From 330	N/S Line S	Feet From 1980	E/W Line W	County EDDY
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POKER LAKE:DELAWARE	50382
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3506
14. Multiple N	15. Proposed Depth 12645	16. Formation Delaware	17. Contractor	18. Spud Date 3/25/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> miles 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	600	485	0
Int1	12.25	9.625	40	100	0	0
Int1	12.25	9.625	36	3300	0	0
Int1	12.25	9.625	40	4300	1425	0
Prod	8.75	5.5	17	12645	710	6300

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 128891

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-38564	2. Pool Code 50382	3. Pool Name POKER LAKE;DELAWARE
4. Property Code 38535	5. Property Name SQUIB BQU STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3506

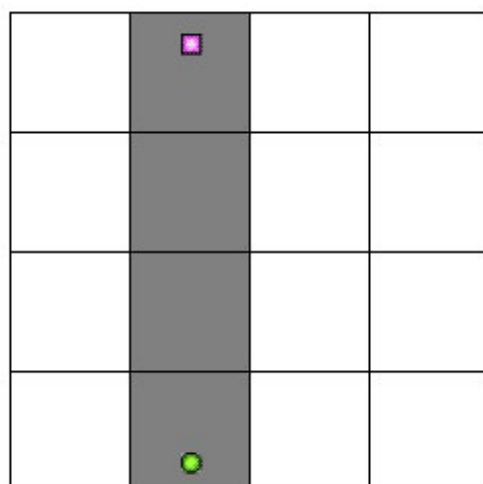
**10. Surface Location**

UL - Lot N	Section 16	Township 24S	Range 31E	Lot Idn	Feet From 330	N/S Line S	Feet From 1980	E/W Line W	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot C	Section 16	Township 24S	Range 31E	Lot Idn C	Feet From 330	N/S Line N	Feet From 1980	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: 3/16/2011

**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: 3/11/2011

Certificate Number: 7977



## Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** SQUIB BQU STATE COM #001H

**API:** 30-015-38564

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 8600'. Well will be plugged back with a 400'-500' kick off plug at approx. 7753' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 8500' MD (8230' TVD). Hole size will then be reduced to 8 1/2" and drilled to 12645' MD (8230' TVD) where 5 1/2" casing will be set and cemented.	3/16/2011
MSANDERS	Penetration point of producing zone will be encountered at 807' FSL and 1980' FWL, 16-24S-31E. Deepest TVD in the well is 8600' in the pilot hole. Deepest TVD in the lateral will be 8230'.	3/16/2011
MSANDERS	MUD PROGRAM: 0-600' Fresh Water; 600'-4300' Brine Water; 4300'-8600' Cut Brine; 7753'-12645' Cut Brine (Curve and Lateral Section)	3/16/2011
MSANDERS	PRESSURE CONTROL EQUIPMENT: A 3000# psi system will be nipped up and tested on 13 3/8" and 9 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-600' 290 psi; 600'-4300' 2280 psi; 4300'-8600' 4025 psi. DEPTHS ARE TVD	3/16/2011
MSANDERS	LOST CIRCULATION AND OR WATER FLOW 6900'-7500'. DV tools to be placed at approx. 7800' and 5700' on production casing. This well prognosed to be cemented in three stages.	3/16/2011
MSANDERS	C-144 for a Closed Loop System and Drilling Plan to follow by mail.	3/16/2011
Artesia	Land S/S	3/16/2011

# Permit Conditions of Approval

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** SQUIB BQU STATE COM #001H

**API:** 30-015-38564

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