

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: 3/17/2011 Expiration Date: 3/17/2013	
Date: 3/4/2011 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 128273

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40088	2. Pool Code 96403	3. Pool Name WILDCAT;BONE SPRING
4. Property Code 38522	5. Property Name BLACK RAIDER BQK STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3389

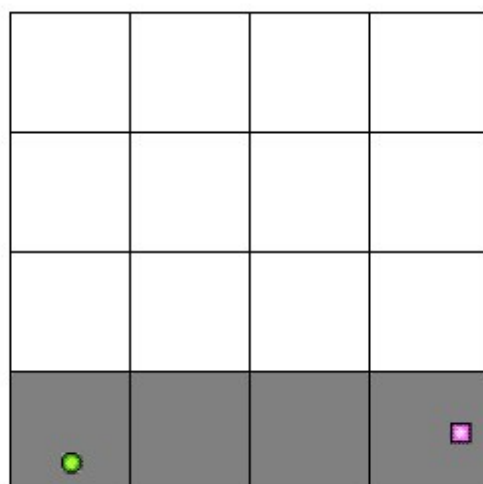
10. Surface Location

UL - Lot M	Section 36	Township 24S	Range 34E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 36	Township 24S	Range 34E	Lot Idn P	Feet From 660	N/S Line S	Feet From 330	E/W Line E	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: 3/4/2011

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: 11/23/2010

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BLACK RAIDER BQK STATE COM #001H

API: 30-025-40088

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 10600'. Well will be plugged back with a 400'-500' kick off plug, then kicked off at approximately 9123' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 9900' MD (9600' TVD), hole will then be reduced to 8 1/2",	3/4/2011
MSANDERS	and drilled to 13698' MD (9600' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 367' FSL and 1136' FWL, 36-24S-34E. Deepest TVD in the well is 10600' in the pilot hole. Deepest TVD in the lateral will be 9600'.	3/4/2011
MSANDERS		3/4/2011
MSANDERS	MUD PROGRAM: 0-950' Fresh Water; 950'-5500' Brine Water; 5500'-10600' Cut Brine; 9123'-13698' Cut Brine (lateral).	3/4/2011
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi system nipped up on 13 3/8" and 9 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-950' 454 psi; 950'-5500' 2917 psi; 5500'-10600' 5016 psi. Depths are TVD.	3/4/2011
MSANDERS	C-144 for a Closed Loop System and Directional Drilling Plan to follow by mail.	3/4/2011
pkautz	Land S/S	3/7/2011
DMULL	OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-03011.	3/17/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BLACK RAIDER BQK STATE COM #001H

API: 30-025-40088

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