### State of New Mexico

Form C-101 Permit 128273

### Energy, Minerals and Natural Resources

## Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

	perator Name and Address ROLEUM CORPORATION	2. OGRID Number 25575	
AI	105 S 4TH ST RTESIA , NM 88210	3. API Number 30-025-40088	
4. Property Code 38522	5. Property Name BLACK RAIDER BOK STATE COM	6. Well No. 001H	

#### 7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	36	24S	34E	M	330	S	660	W	LEA

#### 8. Pool Information

WILDCAT:BONE SPRING 964
-------------------------

#### Additional Well Information

9. Work Type New Well	10. Wett Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3389	
14. Multiple N	15. Proposed Depth 13698	16. Formation Bone Spring	17. Contractor	18. Spud Date 3/10/2011	
Depth to Ground	water	Distance from nearest fresh w	rater well	Distance to nearest surface water	
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay Pit Volume:	bbls Drilling Method: Fresh Water X Brine I	Diesel/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	950	725	
Int1	12.25	9.625	36	3200	0	
Int1	12.25	9.625	40	100	0	
Int1	12.25	9.625	40	5500	1800	1000
Prod	8.5	5.5	17	13698	2300	5000
Prod	8.75	5.5	17	9900	0	

Casing/Cement Program: Additional Comments

H2S is not anticipated for this well.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

of my knowledge and belief.	nation given above is true and complete to the best illing pit will be constructed according to	OIL CONSERVATION DIVISION			
	eneral permit , or an (attached) alternative	Approved By: Paul Kautz			
Printed Name: Electroni	cally filed by Monti Sanders	Title: Geologist			
Title:		Approved Date: 3/17/2011	Expiration Date: 3/17/2013		
Email Address: montis@	yatespetroleum.com		62.02		
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 I

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

Form C-102

Permit 128273

## Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

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

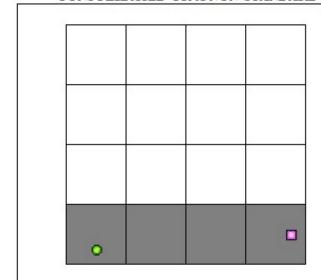
#### 10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	36	248	34E	1	330	S	660	W	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
	36	24S	34E	P	660	S	330	E	LEA
V.5.00 100 100 100	cated Acres 0.00	13. J	oint 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 10800'. 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 (9800' TVD), hole will then be reduced to 8 1/2",	3/4/2011
MSANDERS	and drilled to 13898' MD (9800' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 387' FSL and 1138' FWL, 38-24S-34E. Deepest TVD in the well is 10800' in the pilot hole. Deepest TVD in the lateral will be 9800'.	3/4/2011
MSANDERS	11 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	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 nippled 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