

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

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210		2. OGRID Number 25575
		3. API Number 30-015-38974
4. Property Code 38242	5. Property Name RUDOLPH ATX STATE COM	6. Well No. 006H

7. Surface Location

UL - Lot P	Section 16	Township 19S	Range 31E	Lot Idn P	Feet From 330	N/S Line S	Feet From 760	E/W Line E	County EDDY
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8. Pool Information

Lusk: Bone Spring, West	
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3500
14. Multiple N	15. Proposed Depth 13460	16. Formation 2nd Bone Spring Sand	17. Contractor	18. Spud Date 5/1/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: <input type="checkbox"/> Linear Synthetic <input type="checkbox"/> Closed Loop System	<input type="checkbox"/> mils thick	<input type="checkbox"/> Clay	Pit Volume:	bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>

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	450	401	
Int1	12.25	9.625	36	4250	1451	
Prod	8.5	5.5	17	13460	1125	6000
Prod	8.75	5.5	17	9312	376	3750

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	

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: Randy Dade	
Title:		Title: District Supervisor	
Email Address: montis@yatespetroleum.com		Approved Date: 4/22/2011 Expiration Date: 4/22/2013	
Date: 4/21/2011 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 130581

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38974	2. Pool Code	3. Pool Name Lusk; Bone Spring, West
4. Property Code 38242	5. Property Name RUDOLPH ATX STATE COM	6. Well No. 006H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3500

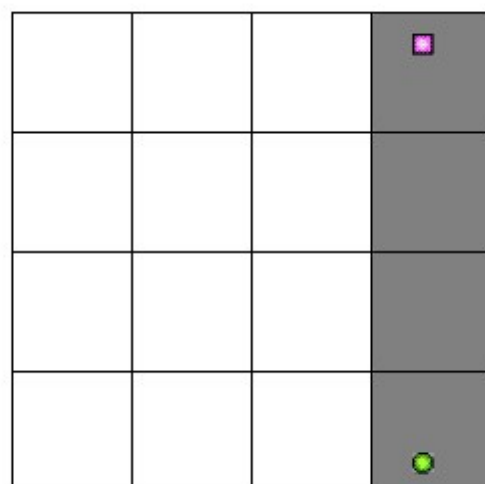
10. Surface Location

UL - Lot P	Section 16	Township 19S	Range 31E	Lot Idn	Feet From 330	N/S Line S	Feet From 760	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 16	Township 19S	Range 31E	Lot Idn A	Feet From 330	N/S Line N	Feet From 760	E/W Line E	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: 4/21/2011

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: 1/28/2011

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: RUDOLPH ATX STATE COM #006H

API: 30-015-38974

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-450' Fresh Water; 450'-4250' Brine Water; 4250'-13460' Cut Brine.	4/21/2011
MSANDERS	Well will be vertically drill to 8562' where the hole will be kicked off at 12 degrees per 100' with a 8 3/4" hole to 9312' MD. Well will then be drilled with a 8 1/2" bit and lateral assembly to 13460' MD (9040' TVD), Penetration point estimated at 9312' MD, 807' FSL and 2080' FWL, 16-19S-31E.	4/21/2011
MSANDERS	C-144 for a Closed Loop System and Drilling Plan to follow by mail.	4/21/2011
Artesia	Land S/S	4/22/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: RUDOLPH ATX STATE COM #006H

API: 30-015-38974

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