State of New Mexico

Form C-101 Permit 133500

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

	stor Name and Address DLEUM CORPORATION	2. OGRID Number 25575	
Contract of the second	05 S 4TH ST ESIA , NM 88210	3. API Number 30-015-39155	
4. Property Code 38672	5. Property Name WOODCHUCK ABW STATE	6. Well No. 003	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	13	17S	28E	M	990	S	330	W	EDDY

8. Pool Information

EMPIRE: GLORIETA-YESO	Controllination	96210

Additional Well Information

	100		. raditional well r	HIOTHIGHTON		
9. Work Type New Well	w Well OIL		11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3647	
14. Multiple N			16. Formation 17. Contractor Yeso Formation		18. Spud Date	
Depth to Ground	water		Distance from nearest fre	esh water well	Distance to nearest surface water	
it: Liner: Synthetic Closed Loop Syste	m 「	mils thick C	lay Pit Volume:	bbls Drilling Method: Fresh Water X Brine	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	12.25	9.625	36	300	165	0
Prod	7.875	5.5	15.5	5200	815	0

Casing/Cement Program: Additional Comments

Surface cement will have 100% excess. Production cement to be done in two stages with stage tools at approx. 3600'. Stage I from 5200'-3600': cement with 300 sacks of Class C Poz 50/50 (YLD 1.30 WT 14.2) TOC=3000', designed with 35% excess. Stage II from 3600'-0': lead with 415 sacks of Class C Poz (YLD 2.10 WT 12.4) designed with 35% excess. Tail with 100 sacks of Class C Poz 50/50 (YLD 1.30 WT 14.2), TOC=0.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	111000000000000000000000000000000000000

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	OIL CONSERVATION DIVISION			
NMOCD guidelines , a general permit, or an (attached) alternative OCD-approved plan.	Approved By: Randy Dade			
Printed Name: Electronically filed by Monti Sanders	Title: District Supervisor			
Title:	Approved Date: 6/22/2011	Expiration Date: 6/22/2013		
Email Address: montis@yatespetroleum.com				
Date: 6/21/2011 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

Form C-102

Permit 133500

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.		. Pool Name	
30-015-39155	96210 EMPIRE; G		GLORIETA-YESO	
4. Property Code	5. Property Name		6. Well No.	
38672	WOODCHUCK ABW STATE		003	
7. OGRID No.	8. Operator Name		9. Elevation	
25575	YATES PETROLEUM CORPORATION 3647			

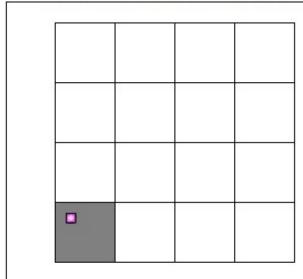
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	13	17S	28E	1	990	S	330	W	EDDY

11. Bottom Hole Location If Different From Surface

			· Dottoill	TIVIC D	THE TELES		om ourmer		
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	cated Acres	13. 1	Joint or Infill		4. 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: 6/21/2011

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: 5/7/2011 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575 Well: WOODCHUCK ABW STATE #003

API: 30-015-39155

Created By	Comment	Comment Date
dif	C-144 for closed loop system and h2s contingency plan to follow in the mail.	6/21/2011
clif	Maximum anticipated BHP: 0-300' will be 130 psi and 300'-5200' will be 2650 psi.	6/21/2011
clif	Well will be drilled vertically to 5200'. Well will be evaluated & if comercial 5 1/2" casing will be ran & cemented.	8/21/2011
clif	Mud Program: 0-300' will be drilled with fresh water with a weight 8.6-9.2, and a viscosity of 29-36. 300'-5200' will be drilled with cut brine with a weight of 10.0-9.5, a viscosity of 29-35, and water loss between no-200cc.	
clif	H2S may be present.	6/21/2011
Artesia	Land S/S	6/22/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575 Well: WOODCHUCK ABW STATE #003

API: 30-015-39155

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