

ATS-08-324

OCD-ARTESIA

1024

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Form 3160-3
(August 2008)FORM APPROVED
OMB NO. 1004-0137
Expires. July 31, 2010

JUL 21 2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Split Estate

OCD-ARTESIA

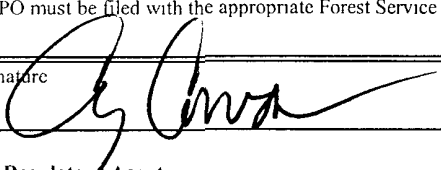
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No NM-9402
1b Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name
2 Name of Operator Yates Petroleum Corporation 025575		7 If Unit or CA Agreement, Name and No.
3a Address 105 South Fourth Street, Artesia, NM 88210		8 Lease Name and Well No. Cottonwood KI Federal Com. #3H
3b Phone No. (include area code) 505-748-1471		9 API Well No. 30-015-36388
4 Location of well (Report location clearly and in accordance with any State requirements *) At surface 1880' FSL and 260' FEL Surface Hole location At proposed prod zone 1880' FSL and 660' FWL Bottom Hole Location		10 Field and Pool, or Exploratory Cottonwood Creek Wolfcamp 75260
11 Sec, T., R., M., or Blk And Survey or Area Section 18, T16S-R25E		12 County or Parish Eddy County
14 Distance in miles and direction from the nearest town or post office* Approximately 6 miles northwest of Artesia, New Mexico		13 State NM
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg unit line, if any) 260'	16 No. of acres in lease 478.81	17 Spacing Unit dedicated to this well N/2S/2
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 1100'	19 Proposed Depth 4886' TVD & 9042' MD'	20 BLM/ BIA Bond No on file NATIONWIDE BOND #NMB000434
21 Elevations (Show whether DF, KDB, RT, GL, etc) 3554' GR	22 Approximate date work will start* ASAP	23 Estimated duration 60 days

24 Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1 shall be attached to this form

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above) |
| 2. A Drilling Plan | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the BLM |

25 Signature 	Name (Printed/ Typed) Cy Cowan	Date 6/3/2008
Title Regulatory Agent		
Approved By (Signature) /s/ Don Peterson	Name (Printed/ Typed) /s/ Don Peterson	Date JUL 11 2008
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

Application approval does not warrant or certify that the applicant holds legal or equitable title, to those rights in the subject lease which would entitle the applicant to cc operations thereon

Conditions of approval, if any, are attached

APPROVAL FOR TWO YEARS

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and wilfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

* (Instructions on page 2) C-144 ATTACHED

Roswell Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

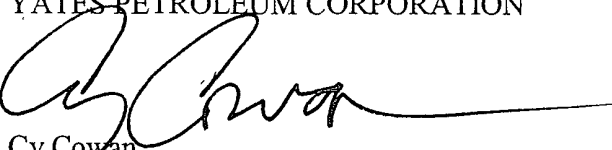
Please be advised that a surface use agreement has been reached with the private surface owners for the following wells:

Cottonwood KI Federal Com. #3H
Link BKT Federal Com. #1H
Link BKT Federal Com. #4H

Private Surface Owners: Haskins Family Trust and Jane R. Haskins
4274 Excelsior Lane
Eureka, CA 95503

Thank you.

YATES PETROLEUM CORPORATION



Cy Cowan
Regulatory Agent

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 75260	Pool Name Cottonwood Creek Wolfcamp W
Property Code 12157	Property Name COTTONWOOD "KI" FEDERAL COM.	Well Number 3H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3554

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	18	16 S	25 E		1880	SOUTH	260	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	18	16 S	25 E		1880	SOUTH	660	WEST	EDDY

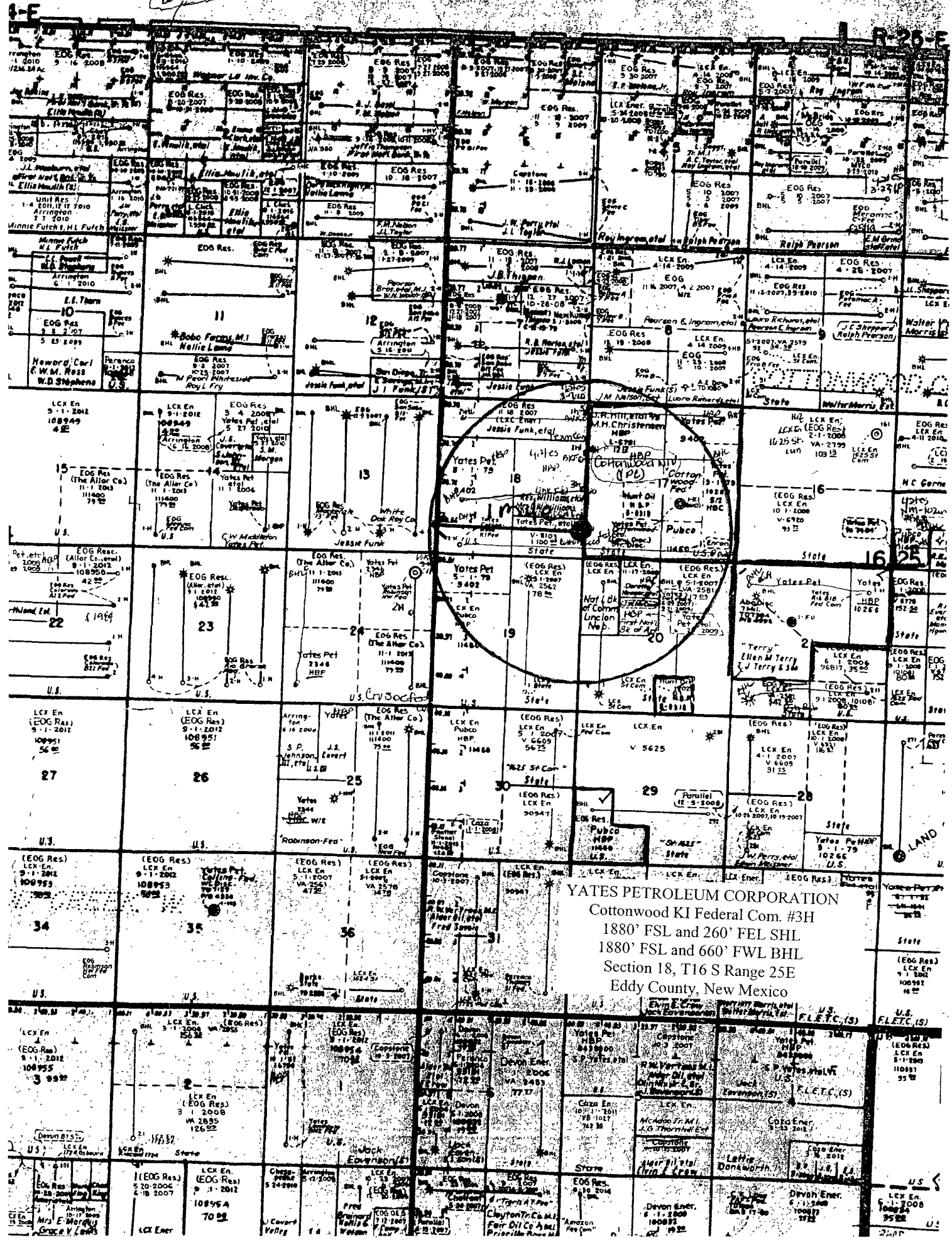
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

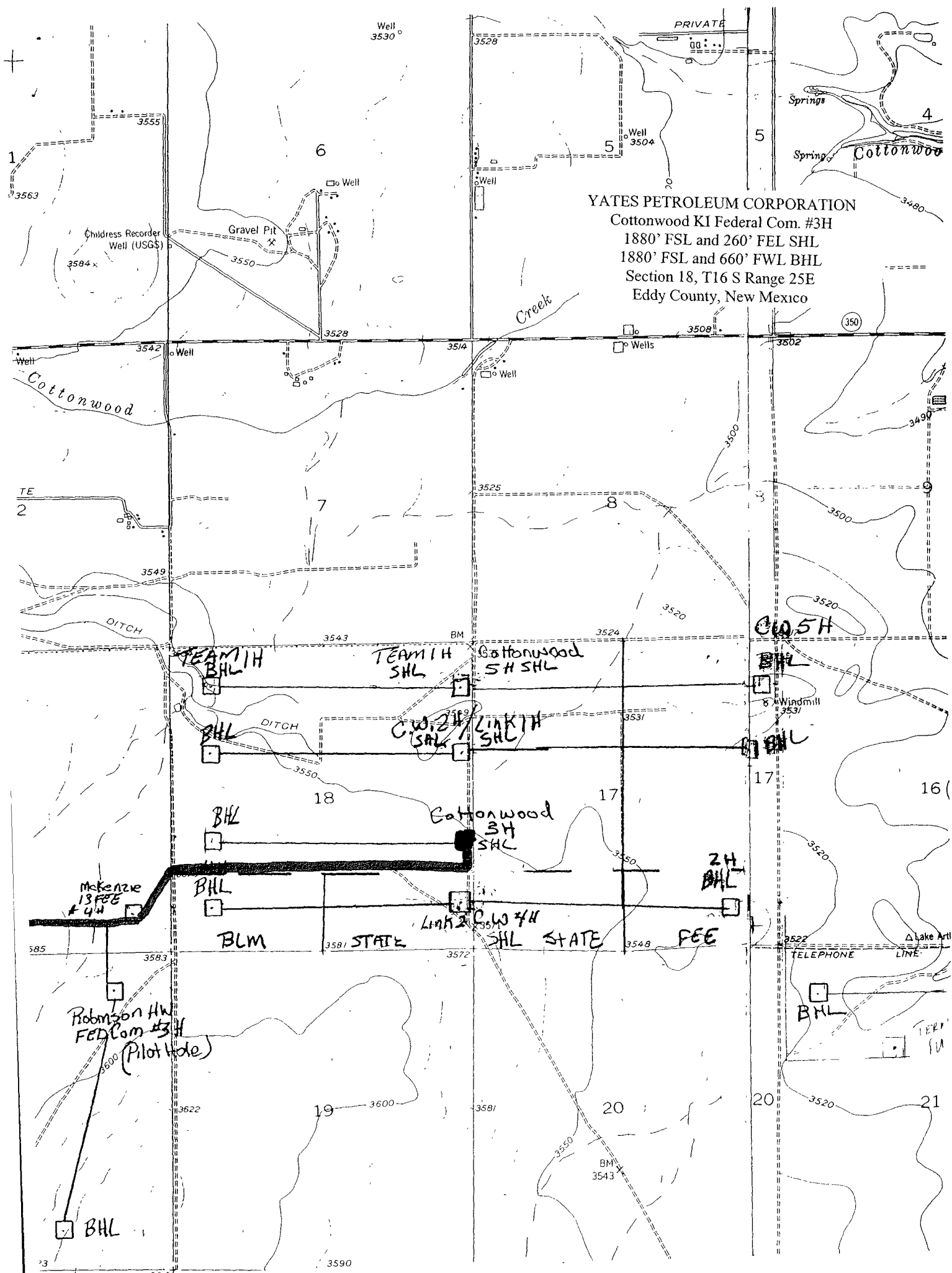
<p>BOTTOM HOLE LOCATION Lat - N32°55'15.41" Long - W104°31'52.93" SPC- N.: 698831.813 E.: 480570.173 (NAD-83)</p>	<p>Penetration point 1880' FSL & 660' FEL</p>		<p>SURFACE LOCATION Lat - N32°55'15.46" Long - W104°31'01.36" SPC- N.: 698829.552 E.: 484965.767 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</p> <p>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 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.</p> <p><i>Clifton R. May</i> 6/3/08 Signature Date</p> <p>Clifton R. May Printed Name</p>
	<p>Project Area Nm 9402 FEE</p> <p>Producing Area V-8103</p>			<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>FEBRUARY 27, 2008 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature & Seal Professional Surveyor</p> <p>W. J. Jones Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

David Livingston O'Brien

R-25-E



YATES PETROLEUM CORPORATION
Cottonwood KI Federal Com. #3H
1880' FSL and 260' FEL SHL
1880' FSL and 660' FWL BHL
Section 18, T16 S Range 25E
Eddy County, New Mexico



YATES PETROLEUM CORPORATION
Cottonwood KI Federal Com. #3H
 1880' FSL and 260' FEL (Surface Hole Location)
 1880' FSL and 660' FWL (Bottom Hole Location)
 Section 18, T16S-R25E
 Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

San Andres	Oil Pay	565'	Wolfcamp	Gas Pay	5081'
Glorietta	Oil Pay	1815'	TVD Kick Off Hole	No Pay	4409'
Tubb	Oil Pay	3115'	MD Lateral Hole	Gas Pay	9042'
Abo	Oil Pay	3815'			

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 41'
 Oil or Gas: Wolfcamp

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 3000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: **(All New)**

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8"	24#	J-55	ST&C	0-1000'	1000'
7 7/8"	5 1/2"	17#	HCP-110	LT&C	0-9042' MD	9042'

4409'

Well will be drilled vertically to ~~4886~~ 4409'. At 4409' the well will be directionally drilled at 12 degrees per 100' with a 7 7/8" hole until horizontal. The lateral will then be drilled to a TVD of ~~4815~~ 4415' with a MD of 9042' where 5 1/2" will be set and cemented.

Minimum Casing Design Factors: Burst 1.0, Tensile Strength 1.8, Collapse 1.125

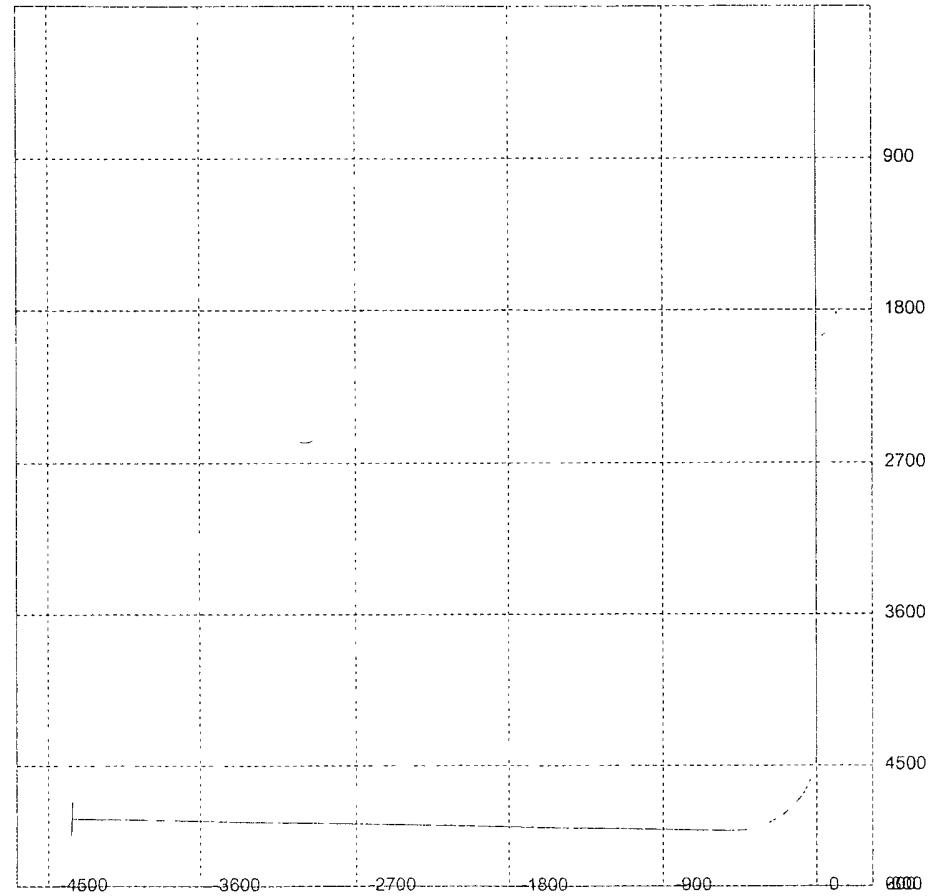
MD	Inclination	Azimuth	TVD	NS	EW	DS	Toolface	Pressure	Signature
0	0	0	0	0	0	0			
565	0	0	565	0	0	0			SAN ANDRES
1815	0	0	1815	0	0	0			GLORIETA
3115	0	0	3115	0	0	0			TUBB
3815	0	0	3815	0	0	0			ABO
4409	0	0	4409	0	0	12	270	GN	KOP
4425	1.92	270	4425	0	-0.27	12	0	HS	
4450	4.92	270	4449.95	0	-1.76	12	0	HS	
4475	7.92	270	4474.79	0	-4.55	12	0	HS	
4500	10.92	270	4499.45	0	-8.65	12	0	HS	
4525	13.92	270	4523.86	0	-14.02	12	0	HS	
4550	16.92	270	4547.96	0	-20.67	12	0	HS	
4575	19.92	270	4571.68	0	-28.57	12	0	HS	
4600	22.92	270	4594.95	0	-37.7	12	0	HS	
4625	25.92	270	4617.71	0	-48.03	12	0	HS	
4650	28.92	270	4639.9	0	-59.54	12	0	HS	
4675	31.92	270	4661.45	0	-72.2	12	0	HS	
4700	34.92	270	4682.32	0	-85.97	12	0	HS	
4725	37.92	270	4702.43	0	-100.81	12	0	HS	
4750	40.92	270	4721.74	0	-116.68	12	0	HS	
4775	43.92	270	4740.2	0	-133.54	12	0	HS	
4800	46.92	270	4757.74	0	-151.35	12	0	HS	
4825	49.92	270	4774.33	0	-170.05	12	0	HS	
4850	52.92	270	4789.92	0	-189.59	12	0	HS	
4875	55.92	270	4804.46	0	-209.92	12	0	HS	
4900	58.92	270	4817.92	0	-230.98	12	0	HS	
4925	61.92	270	4830.26	0	-252.72	12	0	HS	
4950	64.92	270	4841.45	0	-275.08	12	0	HS	
4975	67.92	270	4851.45	0	-297.99	12	0	HS	
5000	70.92	270	4860.23	0	-321.39	12	0	HS	
5025	73.92	270	4867.78	0	-345.22	12	0	HS	
5050	76.92	270	4874.08	0	-369.41	12	0	HS	
5075	79.92	270	4879.1	0	-393.9	12	0	HS	
5081	80.64	270	4880	0	-400	12	0	HS	WOLFCAMP
5100	82.92	270	4882.82	0	-418.61	12	0	HS	
5125	85.92	270	4885.26	0	-443.49	12	0	HS	
5150	88.92	270	4886.38	0	-468.47	12	0	HS	
5167.8	91.06	270	4886.38	0	-486.26	12	0	HS	
9042.19	91.06	270	4815	0	-4360	0			LATERAL TD

Well will be drilled vertically to 4409'. At 4409' the well will be directionally drilled at 12 degrees per 100' with a 7 7/8" hole until horizontal. The lateral will then be drilled to a TVD of 4815' with a MD of 9042' where 5 1/2" casing will be set and cemented

4886'

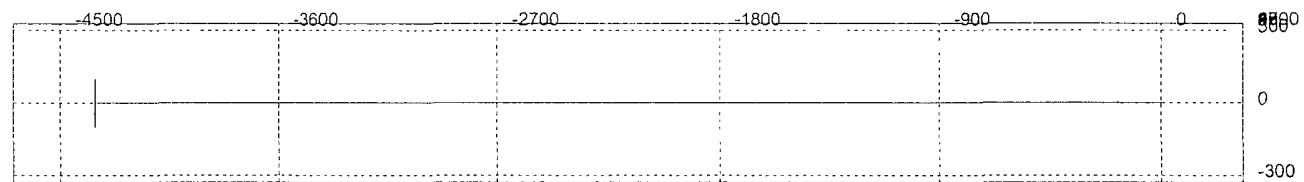
3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Cottonwood KI Federal Com. #3H



3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Cottonwood KI Federal Com. #3H



B. CEMENTING PROGRAM:

Surface Casing: 300 sx Lite "C" (WT 12.5 YLD 2.0) tail in w/ 200 sx "C" (WT 14.8 YLD 1.35) TOC surface.

Production Casing: TOC surface, Lead w/ 675 sx Lite "C" (WT 12.5 YLD 2.05).
Tail in with 675 sx Acid Sol. (WT 11.15 YLD 2.6).

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud to 1000'	Fresh Water Gel	8.6-8.8	28	N/C
1000'-4409'	Cut Brine	8.8-9.2	28-32	N/C
4409'-9042'	Cut Brine	8.8-9.2	40-45	<10-15

(Horizontal Section)

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' out from under Surface casing to TD.

Logging: Horizontal MWD-GR

Coring: None anticipated.

DST's: None anticipated.

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE AND POTENTIAL HAZARDS:

Anticipated BHP:

From: 0 TO 1000' Anticipated Max. BHP: 460 PSI

From: 1000' TO 4886' TVD Anticipated Max. BHP: 2335 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 120° F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 45 days to drill the well with completion taking another 30 days.

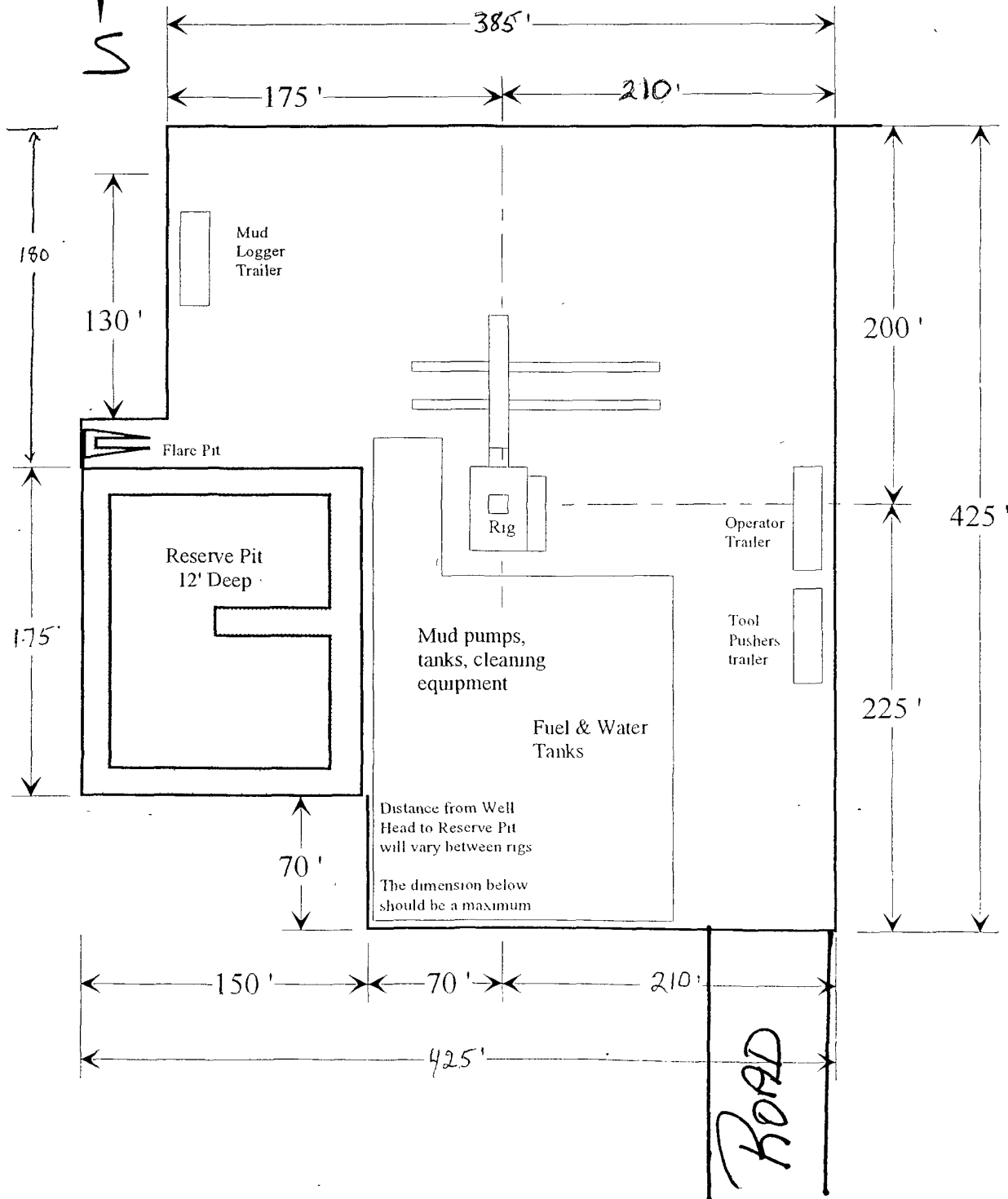
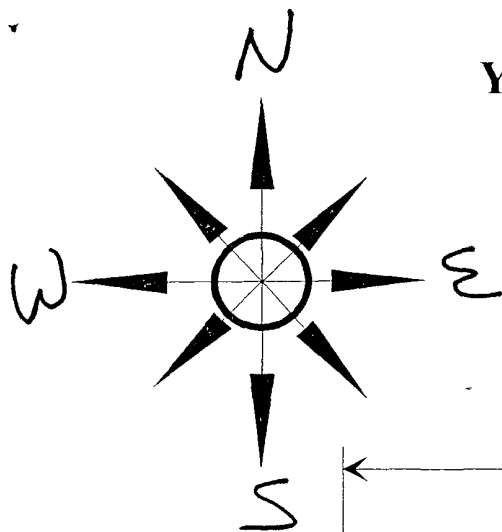
Yates Petroleum Corporation

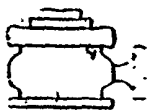
Location Layout for Permian Basin

Horizontal Drill Site

Rts West

YATES PETROLEUM CORPORATION
Cottonwood KI Federal Com. #3H
1880' FSL and 260' FEL SHL
1880' FSL and 660' FWL BHL
Section 18, T16 S Range 25E
Eddy County, New Mexico



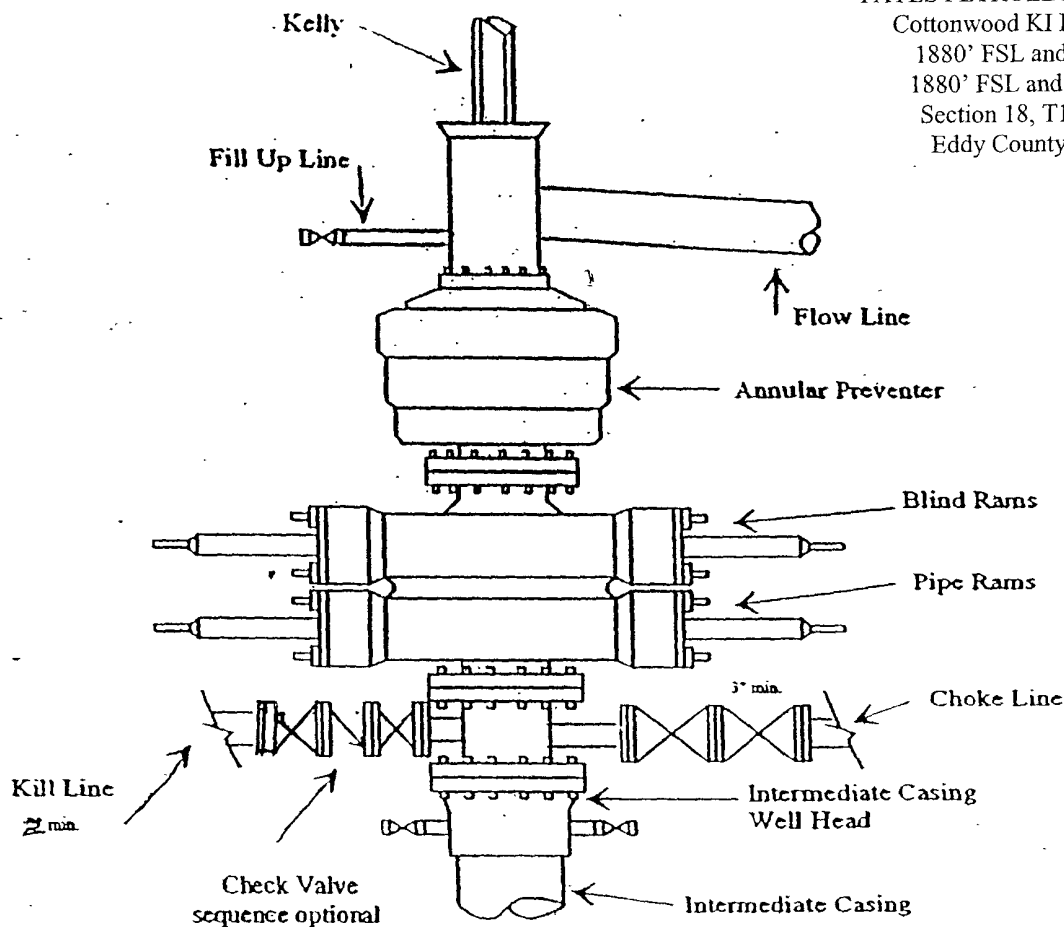


Yates Petroleum Corporation

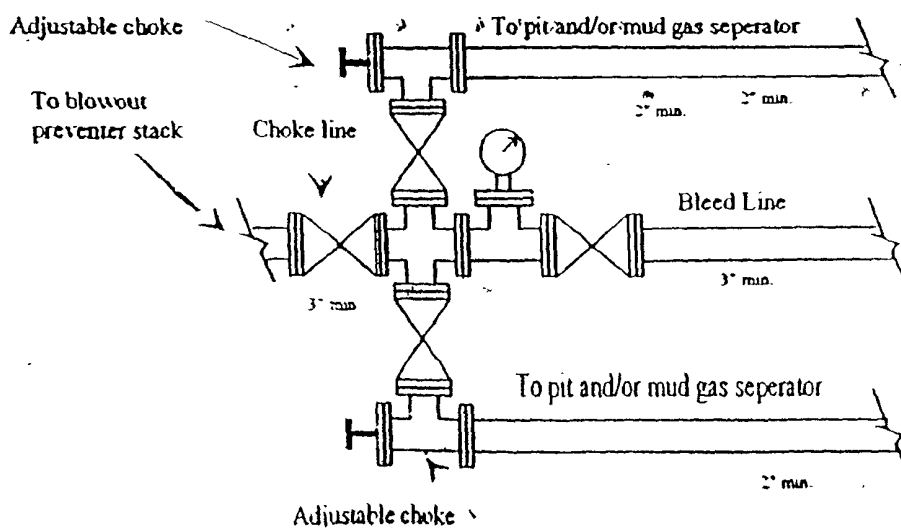
BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

YATES PETROLEUM CORPORATION
Cottonwood KI Federal Com. #3H
1880' FSL and 260' FEL SHL
1880' FSL and 660' FWL BHL
Section 18, T16 S Range 25E
Eddy County, New Mexico



Typical 3,000 psi choke manifold assembly with at least these minimum features



Yates Petroleum Corporation

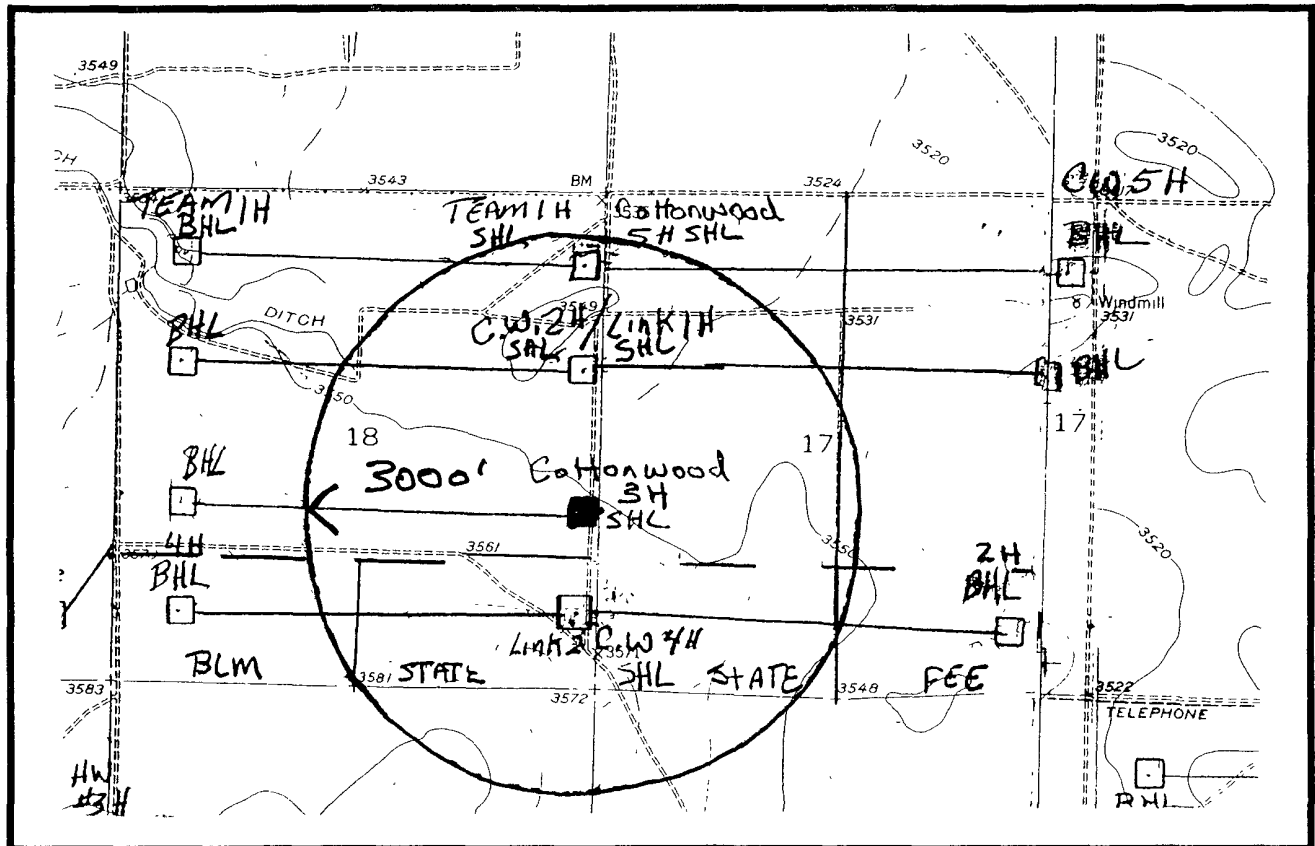
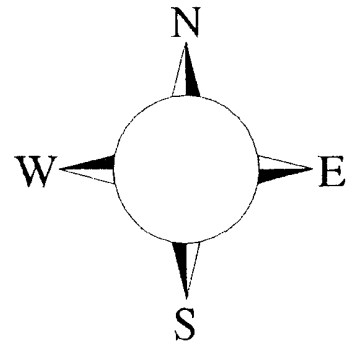
**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

For

**Cottonwood KI Federal Com. #3H
1880' FSL and 260' FEL Surface Hole Location
Section 18, T-16S, R-25E
Eddy County NM**

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000°
100 ppm H2S concentration shall trigger activation of this plan.

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the “buddy system” to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico’s ‘Hazardous Materials Emergency Response Plan’ (HMER)

Yates Petroleum Corporation Phone Numbers

YPC Office	(505) 748-1471
Paul Ragsdale/Operations Manager	(505) 748-4520
Ron Beasley/Production Manager	(505) 748-4210
Wade Bennett/Prod Superintendent	(505) 748-4236
Mike Lankin/Drilling	(505) 748-4222
Paul Hanes/Prod. Foreman/Roswell	(505) 624-2805
Tim Bussell/Drilling Superintendent	(505) 748-4221
Artesia Answering Service	(505) 748-4302
(During non-office hours)	

Agency Call List

Eddy County (505)

Artesia

State Police	746-2703
City Police.....	746-2703
Sheriff's Office	746-9888.
Ambulance.....	911
Fire Department	746-2701
LEPC (Local Emergency Planning Committee)	746-2122
NMOCD.....	748-1283

Carlsbad

State Police	885-3137
City Police.....	885-2111
Sheriff's Office.....	887-7551
Ambulance.....	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee).....	887-3798
US Bureau of Land Management.....	887-6544

New Mexico Emergency Response Commission (Santa Fe)	(505)476-9600
24 HR	(505) 827-9126
New Mexico State Emergency Operations Center.....	(505) 476-9635
National Emergency Response Center (Washington, DC)	...(800) 424-8802

Other

Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....	(915) 699-0139 or (915) 563-3356
Halliburton	(505) 746-2757
B. J. Services.....	(505) 746-3569
Flight For Life -4000 24th St, Lubbock, TX	(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX	(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuquerque, NM	(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuquerque, NM	(505) 842-4949

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Cottonwood KI Federal Com. #3H

1880' FSL and 260' FEL (Surface Hole Location)

1880' FSL and 660' FWL (Bottom Hole Location)

Section 18, T16S-R25E

Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 6 miles northwest of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go west of Artesia, New Mexico on Highway 82 for approximately 10 miles. Turn right on Joy Road and go approximately 6.7 miles. Turn right here on lease road and go south. Follow lease road approximately 1.1 miles. Turn left here following lease road for approximately 0.9 of a mile to EOG's Mackenzie 13 Fee #4H well location. The new road will start here going northeast on two track road next to some fastline for approximately 0.2 of a mile to a fence corner. Turn right here on two track that runs along a fence line and go approximately 1 mile to another fence line and two track road going north. Turn north here and go approximately 300' to the southeast corner of the proposed well location.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 1.3 miles in length from the point of origin to the southeast corner of the drilling pad.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both sides. Traffic turnouts may be needed.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. It will be determined at a later date what type of power will be used to produce the well.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

The dirt contractor will acquire any materials from the closest source at the time of construction of the well pad.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: None

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined. Yates Petroleum Corporation is in full compliance with the OCD General Plan for Drilling Pits approved on April 15, 2004.
- C. A 600' x 600' area has been staked and flagged.

10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. SURFACE OWNERSHIP: Jane R. Haskins & Haskins Family Trust
6794 Wood Bay Lane, NE
Poulsbo, WA 98370-7762

12. OTHER INFORMATION:

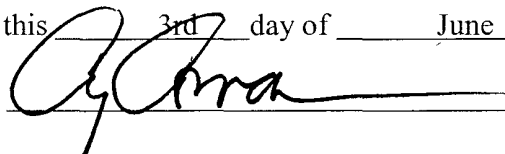
- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

CERTIFICATION
YATES PETROLEUM CORPORATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; and an someone under employment of Yates Petroleum Corporation has full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 3rd day of June 2008

Signature



Name Cy Cowan

Position Title Regulatory Agent

Address 105 South Fourth Street, Artesia, New Mexico 88210

Telephone (505) 748-4372

Field Representative (if not above signatory) Tim Bussell, Drilling Supervisor

Address (if different from above) Same as above.

Telephone (if different from above) (505) 748-4221

E-mail (optional) _____