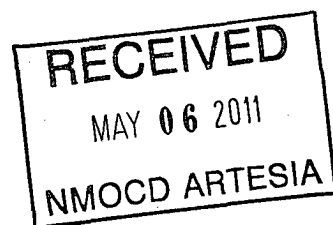


**Hickory ALV Federal 7
30-015-32996
Yates Petroleum Corporation
May 2, 2011
Conditions of Approval**



- 1. The well is non-standard for Yeso production. An NSL order shall be approved prior to well producing from the Yeso.**
- 2. Notify BLM at 575-361-2822 a minimum of 24 hours prior to setting CIBP at 8072'.**
- 3. Surface disturbance beyond the originally approved pad must have prior approval.**
- 4. Closed loop system required.**
- 5. Operator to have H2S monitoring equipment on location.**
- 6. A minimum of a 3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 7. CIBP at 8072' to be capped with Class H cement and tagged to verify 35' of cement on top.**
- 8. Top of Wolfcamp plug to be 170' in length and a minimum of 30 sacks as proposed (Class H proposed and approved). Plug to be set from 7310-7140'.**
- 9. Plugs at 5211-5371' and 3113-3273' approved as written.**
- 10. Submit subsequent sundry with details of work and new completion report.**
- 11. Work to be completed by October 31, 2011.**
- 12. Operator has been in non-compliance since May 2010; the well has been shut-in for more than 30 days without approval.**

WWI 050211