

State of New Mexico
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

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-025-39118
4. Property Code 13343	5. Property Name SIMANOLA AMW STATE	6. Well No. 002

7. Surface Location

UL - Lot O	Section 15	Township 10S	Range 34E	Lot Idn O	Feet From 990	N/S Line S	Feet From 1650	E/W Line E	County LEA
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8. Pool Information

WILDCAT WOLFCAMP	0
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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 4190
14. Multiple N	15. Proposed Depth 9250	16. Formation Wolfcamp	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method:				
Closed Loop System <input type="checkbox"/> 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	14.75	11.75	42	400	250	0
Int1	11	8.625	32	4150	1075	0
Prod	7.875	5.5	17	9250	925	3650

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation plans to drill and test the Wolfcamp and intermediate formations. Surface casing will be ran and set at 400' with cement circulated to surface. Intermediate casing will be ran and set at 4150' and cement circulated to surface. If determined the well is a commercial prospect, production casing will be set at 9250' and cemented back to about 3650', perforated and stimulated as needed to gain production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

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 NMOCB guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Monti Sanders Title: Email Address: montis@ypcnm.com Date: 8/22/2008 Phone: 575-748-4244	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 8/29/2008 Expiration Date: 8/29/2010
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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

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Form C-102
 Permit 80756

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39118	2. Pool Code	3. Pool Name WILDCAT WOLFCAMP
4. Property Code 13343	5. Property Name SIMANOLA AMW STATE	6. Well No. 002
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4190

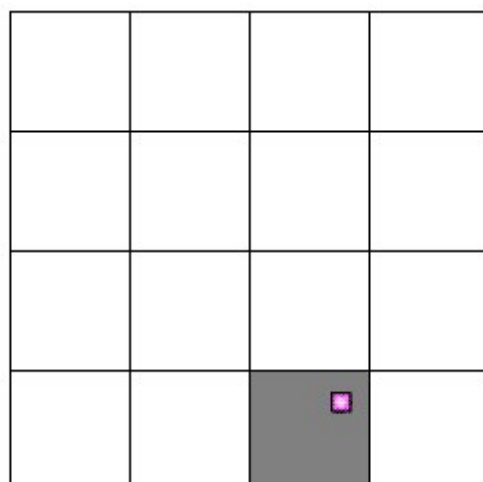
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	15	10S	34E		990	S	1650	E	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
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code N/A	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: 8/22/2008

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: 8/14/2008

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: SIMANOLA AMW STATE #002

API: 30-025-39118

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0'-400' w/FW Gel; 400'-2150' w/FW; 2150'-4150' w/Red Bed Mud/Oil; 4150'-7700' w/Cut Brine; 7700'-9250' w/SW Gel/Starch.	8/21/2008
MSANDERS	BOPE PROGRAM: A 3000psi BOP System will be nipped up on the 8 5/8" casing.	8/21/2008
MSANDERS	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the Wolfcamp formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	8/21/2008
DCAFFALL	The new C-144 that reflects rule changes effective June 16, 2008 will be submitted on paper to the appropriate OCD district office.	8/22/2008
DMULL	Received form C-144 "Pit Registration". OCD Permit Number P1-00393.	8/29/2008