

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 30-05-29086
4. Property Code 37650	5. Property Name KRUISER BLK STATE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	36	15S	30E	E	1980	N	200	W	CHAVES

8. Pool Information

WILDCAT G-05 S153117E;ABO-WC	97722
------------------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4132
14. Multiple N	15. Proposed Depth 8400	16. Formation Abo	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	17.5	13.375	48	800	425	
Int1	12.25	9.625	40	3650	1150	
Prod	8.75	7	26	8400	1125	

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill a pilot hole and test the Wolfcamp/Intermediate formations. Approximately 400' of surface casing will be set and cement circulated to surface. Intermediate casing will be set at 3650' and cement circulated to surface. Second intermediate casing will be set at 8400' and circulated to surface. A whipstock will then be set at approximately 7795' and a window milled in the 7" casing where the well will be kicked off at 12 degrees per 100' with a 6 1/8" hole to 12818' MD with a TVD of 8340' where a Peak Completion Assembly will be set and will not be cemented. Penetration point of the producing formation will be at 1980' FNL and 670' FWL.

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 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: Paul Kautz	
Title:	Title: Geologist	
Email Address: montis@yatespetroleum.com	Approved Date: 4/9/2009	Expiration Date: 4/9/2011
Date: 4/6/2009 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 93134

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-05-29086	2. Pool Code 97722	3. Pool Name WILDCAT G-05 S153117E;ABO-WC
4. Property Code 37650	5. Property Name KRUISER BLK STATE	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 4132

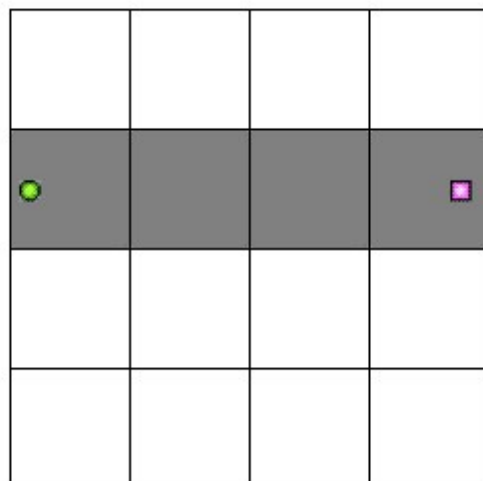
10. Surface Location

UL - Lot E	Section 36	Township 15S	Range 30E	Lot Idn	Feet From 1980	N/S Line N	Feet From 200	E/W Line W	County CHAVES
---------------	---------------	-----------------	--------------	---------	-------------------	---------------	------------------	---------------	------------------

11. Bottom Hole Location If Different From Surface

UL - Lot H	Section 36	Township 15S	Range 30E	Lot Idn H	Feet From 1980	N/S Line N	Feet From 330	E/W Line E	County CHAVES
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: 4/6/2009

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: Roanald Edison

Date of Survey: 5/20/2008

Certificate Number: 3239

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: KRUISER BLK STATE #001

API: 30-05-29086

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-400' w/ Fresh Water; 400'-3650' w/Brine Water; 3650'-7350' w/Cut Brine; 7350'-8400' w/Cut Brine; 7795'-12818'(Horizontal Section) Cut Brine/2-3% KCL	4/6/2009
MSANDERS	BOPE PROGRAM: A 3000# psi BOP will be nipped up on the 9 5/8" casing.	4/6/2009
MSANDERS	H2S is NOT anticipated.	4/6/2009
MSANDERS	C-144 for a Closed Loop System to follow by mail.	4/6/2009
DMULL	OCD received form C-144 "Pit Registration". OCD Permit Number P1-01019.	4/9/2009

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: KRUISER BLK STATE #001

API: 30-05-29086

OCD Reviewer	Condition
DMULL	Will require a directional survey with the C-104
pkautz	Surface casing must be set 25' below top Rustler Anhdrite