State of New Mexico

Form C-101 Permit 88241

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

	or Name and Address LEUM CORPORATION	2. OGRID Number 25575
15 mas 20 mm	105 S 4TH ST RTESIA , NM 88210 3. API Nu 30-025	
4. Property Code 37554	5. Property Name REBA BNT STATE	6. Wett No. 006

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	32	118	35E	E	2310	N	990	W	LEA

8. Pool Information

LLANO;UPPER PENN	39400
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lesse Type State	13. Ground Level Elevation 4166
14. Multiple N	15. Proposed Depth 10600	16. Formation Pennsylvanian	17. Contractor	18. Spud Date
Depth to Ground	water	Distance from nearest fre	esh water well	Distance to nearest surface water
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay 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	14.75	11.75	42	2150	275	0
Int1	11	8.625	32	4350	1175	0
Prod	7.875	5.5	17	10600	1050	3850

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Pennsylvanian/Intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4,350'; cement circulated to the surface. If commercial, production casing will be ran, cemented, perforated and stimulated as needed to gain production.

Proposed Blowout Prevention Program

		8	
Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	

of my knowledge and belief.	ation given above is true and complete to the best ling pit will be constructed according to	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist				
	neral permit , or an (attached) alternative					
Printed Name: Electronic	ally filed by Monti Sanders					
Title:		Approved Date: 1/14/2009	Expiration Date: 1/14/2011			
Email Address: montis@	ypenm.com					
Date: 1/13/2009	Phone: 575-748-4244	Conditions of Approval Atta	ched			

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

***	LLL LOCATION AND ACILLA	IGE DEDICATION FEAT	
1. API Number	2. Pool Code	3. Pool Name	
30-025-39325	39400	LLANO;UPPER PENN	
4. Property Code	5. Property Na	ime 6. Wett No.	
37554	REBA BNT ST	TATE 006	
7. OGRID No.	8. Operator Na	me 9. Elevation	
25575	YATES PETROLEUM C	ORPORATION 4166	

10. Surface Location

Š	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	E	32	118	35E	In the section of	2310	N	990	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
V. 100 100 100 100 100 100 100 100 100 10	cated Acres	13. 1	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

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OPERATOR CERTIFICATION

Form C-102

Permit 88241

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: 1/13/2009

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: Gary Jones Date of Survey: 1/10/2009 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575 Well: REBA BNT STATE #006

API: 30-025-39325

Created By	Comment	Comment Date
dif	MUD PROGRAM: 0-400' with Fresh Water GeI; 400'-2200' with Fresh Water; 2200'-4350' with Red Bed Mud/OiI; 4350 -7800' with Cut Brine; 7800'-10600' with SW GeI/Starch.	1/13/2009
clif	BOPE PROGRAM:	1/13/2009
dif	BOPE PROGRAM: A 5000# psi BOPE system will be installed on the 8 5/8" casing and tested daily for operational.	1/13/2009
dif	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from surface to the Pennsylvanian formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	1/13/2009
dif	C-144 to follow by fax and hard copy to be mailed.	1/13/2009
DMULL	OCD has received form C-144 "Pit Registration". OCD Permit Number P1-00848.	1/14/2009

Permit Conditions of Approval Operator: YATES PETROLEUM CORPORATION , 25575 Well: REBA BNT STATE #006

API: 30-025-39325

OCD Reviewer	Condition
pkautz	Surface casing mustbe set in top of Rustler Anhydrite