State of New Mexico

Form C-101 Permit 105820

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

YATES PETROL	Name and Address EUM CORPORATION	OGRID Number 25575	
105 S 4TH ST ARTESIA , NM 88210		3. API Number 30-015-37403	
4. Property Code	5. Property Name	6. Well No.	
35384	DOC BHU STATE	004H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	5	25S	30E	M	330	S	660	W	EDDY

8. Pool Information

PIERCE CROSSING; BONE SPRING, EAST 96473

Additional Well Information

	140		IZUUITIOZUI II CI				
9. Work Type New Well	w Well OIL		11. Cable/Rota	533	Lease Type State	13. Ground Level Elevation 3184	
14. Multiple N			16. Formation 17. Contract Bone Spring			or 18. Spud Date	
Depth to Ground	water		Distance from neare	st fresh water well		Distance to nearest surface water	
Pit: Liner: Synthetic Closed Loop System	m Γ	mils thick	Clay Pit Volume:	bbls Drilling Me Fresh Water		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	17.5	13.375	48	650	525	0
Int1	12.25	9.625	40	3550	950	0
Int2	8.75	7	26	8123	850	3000
Prod	7.875	5.5	11.6	9626	650	6800

Casing/Cement Program: Additional Comments

H2S is not aniticipated for this well.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	5

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	OIL CONSERVATION DIVISION			
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Jacqueta Reeves			
Printed Name: Electronically filed by Monti Sanders	Title: District Geologist			
Title:	Approved Date: 12/2/2009 Expiration Date: 12/2/2011			
Email Address: montis@yatespetroleum.com				
Date: 11/23/2009 Phone: 575-748-4244				

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District I

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

Form C-102 Permit 105820

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

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1. API Number	2. Pool Code	3. Pool Name			
30-015-37403	96473	PIERCE CROSSING; BONE SPRING, EAST			
4. Property Code	5. Prope	rty Name	6. Well No.		
35384	DOC BHU STATE		004H		
7. OGRID No.	8. Operator Name		9. Elevation		
25575	YATES PETROLEU	3184			

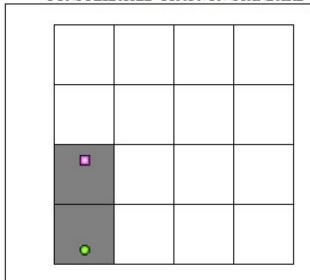
10. Surface Location

						27.07.			
UL - Lo	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	5	25S	30E		330	S	660	W	EDDY

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
L	5	25S	30E	L	2310	S	660	W	EDDY
	cated Acres	13. J	oint 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: 11/23/2009

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: 11/2/2009 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575 Well: DOC BHU STATE #004H

API: 30-015-37403

Created By	Comment	Comment Date
MSANDERS	Well will be drilled vertically to 7373'. At 7373' well will be kicked off at 12 degrees per 100' with an 8 3/4" hole to 8123' MD (7850' TVD). If hole conditions dictate, 7" casing will be set. A 6 1/8" hole will then be drilled to 9626' MD (7850' TVD) where 4 1/2" casing will be set and cemented.	11/23/2009
MSANDERS	If 7" is not set, then hole size will be reduced to 7 7/8" and drilled to 9828'MD (7850 TVD) where 5 1/2" casing will be set and cemented. Penetratoin point of producing zone will be at 807' FSL and 680' FWL, 5-25S-30E. Deepest TVD in the well is 7850' in the lateral.	11/23/2009
MSANDERS	MUD PROGRAM: 0-850' Fresh Water; 650'-3550' Brine Water; 3550'-7373' Cut Brine; 7373'- 9826' Cut Brine (Lateral)	11/23/2009
MSANDERS	BOP PROGRAM: 3000# psi System nippled up on 13 3/8" and 9 5/8" casing.	11/23/2009
MSANDERS	Maximum Anticipated BHP: Depths are TVD. 0-650' 311 psi; 650'-3550' 1883 psi; 3550'-7850' 3796 psi.	11/23/2009
MSANDERS	C-144 for a Closed Loop System to follow by mail. Contigency Casing Design and Directional Drilling plan also to follow by mail.	11/23/2009