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|---|-------------------------------------|-------------------------------|
| 1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210 | | 2. OGRID Number 25575 |
| | | 3. API Number 30-015-37417 |
| 4. Property Code 35384 | 5. Property Name DOC "BHU" STATE | 6. Well No. 002H |

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot O | Section 5 | Township 25S | Range 30E | Lot Idn O | Feet From 330 | N/S Line S | Feet From 1930 | E/W Line E | County EDDY |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|----------------|

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|-----------------------------------|-------|
| PIERCE CROSSING BONE SPRING.NORTH | 96448 |
|-----------------------------------|-------|

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|---|----------------------------|--|-------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3226 |
| 14. Multiple N | 15. Proposed Depth 9626 | 16. Formation Bone Spring | 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"/> mls 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"/> | | | | |

| 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 | 1110 | 3000 |
| Prod | 7.875 | 5.5 | 17 | 9626 | 1500 | 6800 |

H2S is not anticipated for this well. Pressure Control Equipment: 3000 psi system nipped up on 13 3/8" and 9 5/8" casing. Maximum Anticipated BHP: 0 - 650 311 PSI Depths are TVD 650 - 3550 1883 PSI 3550 - 7850 3796 PSI

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 3000 | 3000 | |

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|------------------|---------------------|
| Date: 11/30/2009 | Phone: 575-748-4244 |
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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

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 105683

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---|---|
| 1. API Number 30-015-37417 | 2. Pool Code 96448 | 3. Pool Name PIERCE CROSSING BONE SPRING,NORTH |
| 4. Property Code 35384 | 5. Property Name DOC "BHU" STATE | 6. Well No. 002H |
| 7. OGRID No. 25575 | 8. Operator Name YATES PETROLEUM CORPORATION | 9. Elevation 3226 |

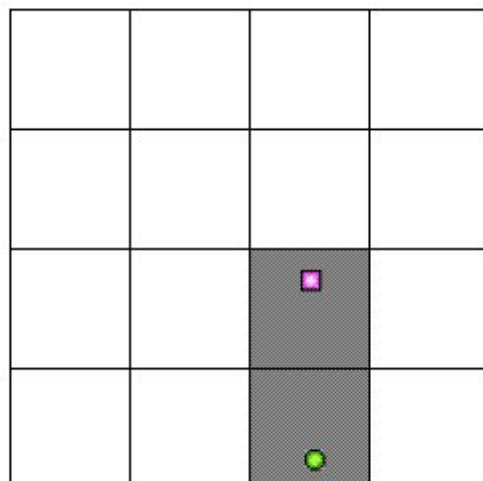
10. Surface Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot O | Section 5 | Township 25S | Range 30E | Lot Idn | Feet From 330 | N/S Line S | Feet From 1930 | E/W Line E | County EDDY |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------------|--------------|---------------------|--------------|------------------------|-------------------|---------------|-------------------|---------------|----------------|
| UL - Lot J | Section 5 | Township 25S | Range 30E | Lot Idn J | Feet From 2310 | N/S Line S | Feet From 1980 | E/W Line E | County EDDY |
| 12. Dedicated Acres 80.00 | | 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: 11/30/2009

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: 11/12/2009

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: DOC "BHU" STATE #002H

API: 30-015-37417

| 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(7,850'TVD). If hole conditions dictate, 7" casing will be set. A 6 1/8" hole will then be drilled to 9,626' MD (7,850' TVD) where 4 1/2" casing will be set and cemented. | 11/18/2009 |
| MSANDERS | If 7" is not set, then hole size will be reduced to 7 7/8" and drilled to 9,626' MD (7,850' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be at 807' FSL and 1942' FEL, 5-25S-30E. Deepest TVD in the well is 7,850' in the lateral. | 11/18/2009 |
| MSANDERS | MUD PROGRAM: 0-650' Fresh Water; 650'-3550' Brine Water; 3550' - 7373' Cut Brine; 7373' - 9626' Cut Brine (lateral). | 11/18/2009 |
| MSANDERS | C-144 for a Closed Loop System to follow by mail. | 11/18/2009 |
| MSANDERS | Contingency Casing Design and Directional Drilling Plan to follow by mail. | 11/18/2009 |