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|---|------------------------------|-----------------------------|
| 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 NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | OIL CONSERVATION DIVISION | |
| | Approved By: Jacqueta Reeves | |
| Printed Name: Electronically filed by Monti Sanders | Title: District Geologist | |
| Title: | Approved Date: 12/29/2009 | Expiration Date: 12/29/2011 |
| Email Address: montis@yatespetroleum.com | | |
| Date: 12/18/2009 | Phone: 575-748-4244 | |

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 106968

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---|---|
| 1. API Number 30-015-37464 | 2. Pool Code 97286 | 3. Pool Name EMPIRE; WOLFCAMP, NORTHWEST |
| 4. Property Code 37956 | 5. Property Name PUPPY "BPP" STATE COM. | 6. Well No. 001H |
| 7. OGRID No. 25575 | 8. Operator Name YATES PETROLEUM CORPORATION | 9. Elevation 3425 |

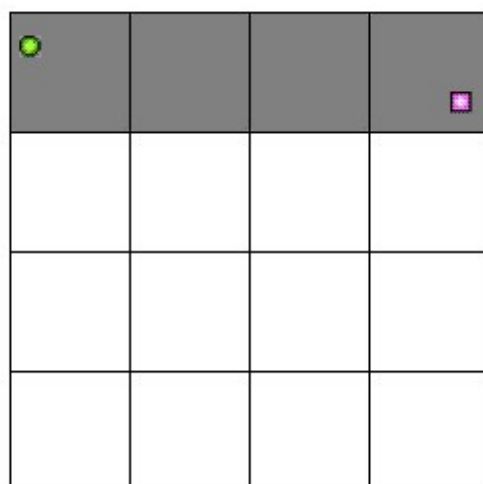
10. Surface Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot D | Section 2 | Township 17S | Range 27E | Lot Idn | Feet From 360 | N/S Line N | Feet From 200 | E/W Line W | County EDDY |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|----------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|--------------|---------------------|--------------|------------------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot A | Section 2 | Township 17S | Range 27E | Lot Idn 1 | Feet From 960 | N/S Line N | Feet From 330 | E/W Line E | County EDDY |
| 12. Dedicated Acres 162.84 | | 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: 12/18/2009

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: 12/18/2009

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: PUPPY "BPP" STATE COM. #001H

API: 30-015-37464

| Created By | Comment | Comment Date |
|------------|---|--------------|
| MSANDERS | MUD PROGRAM: 0-350' Fresh Water Gel; 350'-1600' Brine Water; 1600'-5100' Cut Brine; 5100'-6500' Cut Brine; 5821'-10882' Cut Brine (Lateral Section). | 12/17/2009 |
| MSANDERS | Pilot hole will be drilled to 6500'. A 400'-500' kick off plug will be set. 7" casing will then be set approximately 60' above the kick off plug and cemented to surface. Well will be kicked off with 6 1/8" hole at 12 degrees per 100' to 10882' MD with a TVD of 6375' where a 4 1/2" (cont.) | 12/17/2009 |
| MSANDERS | Peak Completion Liner Assembly will be set and will NOT be cemented. Penetration point of producing formation encountered at 419' FNL and 665' FWL, 32-16S-28E. Deepest TVD of the well will be in the pilot hole @ 6500'. Deepest TVD in the lateral will be 6375'. | 12/17/2009 |
| MSANDERS | MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD: 0-350' 165 psi; 350'-1600' 850 psi; 1600'-6500' 3110 psi. | 12/17/2009 |
| MSANDERS | C-144 and Direction Drilling Plan to follow by mail. | 12/17/2009 |