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

YATES PETROL	Name and Address EUM CORPORATION	2. OGRID Number 25575	
105 S 4TH ST		3. API Number	
ARTESIA , NM 88210		30-015-37786	
4. Property Code	5. Property Name	6. Wett No.	
37954	CHEVRON BOT	005H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	5	24S	29E	J	2310	S	2310	E	EDDY

8. Pool Information

Wildcat Bone Spring 0

Additional Well Information

	901		Traditional II chi interi	HUUDH	
9. Work Type New Well	10. Well Type OIL 15. Proposed Depth 12314				13. Ground Level Elevation 2952
14. Multiple N			16. Formation Bone Spring	17. Contractor	18. Spud Date 4/1/2010
Depth to Ground	water		Distance from nearest fresh water	er well	Distance to nearest surface water
t: Liner: Synthetic Closed Loop Syste	m 「	mils thick Cl	ay Pit Volume: bb	s Drilling Method: Fresh Water X Brine D	riesel/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	600	550	0
Int1	12.25	9.625	36	2850	950	0
Prod	7.875	5.5	17	12314	2535	2350

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

Г	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	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: 5/3/2010	Expiration Date: 5/3/2012		
Email Address: montis@yatespetroleum.com	<u> </u>			
Date: 3/24/2010 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

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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 111375

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37786	2. Pool Code	3. Pool Name Wildcat Bone Spring		
4. Property Code 37954	5. Property Name CHEVRON BOT		6. Well No. 005H	
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION		9. Elevation 2952	

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	5	24S	29E	Tall and the	2310	S	2310	E	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
	32	23S	29E	J	2310	S	1980	E	EDDY
20000000000	cated Acres 9.89	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: 3/24/2010

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: 3/9/2010 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575 Well: CHEVRON BOT #005H

API: 30-015-37786

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-800' Fresh Water; 600'-2850' Brine Water; 2850'-7900' Cut Brine; 7048'-12314' Cut Brine (lateral).	3/24/2010
MSANDERS	Pilot hole drilled vertically to 7900'. Well will be plugged back with 400'-500' kick off plug at approx. 7048' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 7798' MD (7525' TVD). If hole conditions dictate, 7" casing will be set.	3/24/2010
MSANDERS	A 6 1/8" hole will then be drilled to 12314' MD (7525' TVD)where 4 1/2" casing will be set and cemented. If 7" is not set, then hole size will be reduced to 7 7/8" and drilled to 12314' MD (7525' TVD) where 5 1/2" casing will be set and cemented.	3/24/2010
MSANDERS	Penetration point of producing zone will be encountered at 2783' FSL and 2247' FEL, 5- 24S-29E. Deepest TVD in the well is 7900' in the pilot hole. Deepest TVD in the lateral will be 7525'.	3/24/2010
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000# psi system nippled up on 13 3/8" and 9 5/8" casing.	3/24/2010
MSANDERS	MAXIMUM ANTICIPATED BHP: 0-800 287 psi; 800-2850 1512 psi; 2850-7900 3738 psi.	3/24/2010
MSANDERS	H2S is possible for this well. H2S Contigneoy Plan to follow by mail.	3/24/2010
MSANDERS	C-144 for a Closed Loop System, Contigency Casing Design and Directional Drilling Planner to follow by mail.	3/24/2010