State of New Mexico

Form C-101 Permit 121437

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

	stor Name and Address DLEUM CORPORATION	2. OGRID Number 25575	
12 may 20 h	05 S 4TH ST ESIA , NM 88210	3. API Number 30-025-39941	
4. Property Code 38342	5. Property Name BLACKBERRY BKB STATE	6. Wett No. 001H	

7. Surface Location

8	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	H	6	218	34E	16	3300	S	330	E	LEA

8. Pool Information

BERRY;BONE SPRING, NORTH 5535

Additional Well Information

9. Work Type	10. Well Type	11. Cable/Rotary	12. Lesse Type	13. Ground Level Elevation		
New Well	OIL		State	3727		
14. Multiple 15. Proposed Dept		16. Formation	18. Spud Date			
N 11335		Bone Spring	11/10/2010			
Depth to Ground	water	Distance from nearest fre	sh 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	17.5	13.375	48	550	570	0
Int1	12.25	9.625	40	5725	2200	0
Prod	8.75	5.5	17	11335	1625	5200

Casing/Cement Program: Additional Comments

H2S is not anticipated for this well.

Proposed Blowout Prevention Program

				(1)
	Type	Working Pressure	Test Pressure	Manufacturer
1	DoubleRam	3000	3000	

of my knowledge and belief.	n given above is true and complete to the best pit will be constructed according to	OIL CONSERVATION DIVISION		
	l permit , or an (attached) alternative	Approved By: Paul Kautz		
Printed Name: Electronically	filed by Monti Sanders	Title: Geologist		
Title:		Approved Date: 10/19/2010	Expiration Date: 10/19/2012	
Email Address: montis@yat	espetroleum.com			
Date: 10/8/2010	Phone: 575-748-4244	Conditions of Approval Attac	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

Form C-102 Permit 121437

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

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

and the second s	LEE EOCATION AND ACK		Control Control	
API Number	2. Pool Code	3.	Pool Name	
30-025-39941	5535	BERRY;BON	E SPRING, NORTH	
4. Property Code	5. Property Name		6. Well No.	
38342	BLACKBERRY BKB STATE		001H	
7. OGRID No.	8. Operator Name		9. Elevation	
25575	YATES PETROLEUM CORPORATION 3727			

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	6	218	34E	16	3300	S	330	E	LEA

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
G	6	21S	34E	15	3300	S	2310	E	LEA
	cated Acres	13. 3	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: 10/8/2010

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: 9/28/2010 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575 Well: BLACKBERRY BKB STATE #001H

API: 30-025-39941

Created By	Comment	Comment Date			
MSANDERS	Pilot hole drilled vertically to 10150'. Well will be plugged back with a 600' kick off plug, then kicked off at approximately 9083' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 9900' MD (9560' TVD). If hole conditions dictate, 7" casing will be set and comented.				
MSANDERS	A 6 1/8" hole will then be drilled to 11335' MD(9560' TVD) and 4 1/2" will be set and oemented. If 7" is not set then hole will be reduced to 8 1/2" and drilled to 11335' MD (9560' TVD) where 5 1/2" will be set and oemented.	10/8/2010			
MSANDERS	MUD PROGRAM: 0-550' Fresh Water; 550'-5725' Brine Water; 5725'-10150' Cut Brine; 9083'-11335' Cut Brine (lateral). PRESSURE CONTROL EQUIPMENT: 3000 # psi system nippled up on 13 3/8" and 9 5/8" casing.	10/8/2010			
DMULL	OCD Hobbs office has received for C-144CLEZ. OCD Permit Number P1-02588.	10/18/2010			

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575 Well: BLACKBERRY BKB STATE #001H

API: 30-025-39941

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string