State of New Mexico

Form C-101 Permit 124579

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

1 TO THE RESERVE OF T	rator Name and Address ROLEUM CORPORATION	2. OGRID Number 25575	
	105 S 4TH ST TESIA , NM 88210	3. API Number 30-015-38317	
4. Property Code 5. Property Name 38420 BLACKBIRD BKR STATE C		6. Well No. 003H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	32	16S	28E	M	1270	S	200	W	EDDY

8. Pool Information

WC:CROW FLATS:ABO	WC;CROW FLATS;ABO	9769
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Additional Well Information

9. Work Type	10. Wett Type	11. Cable/Rotary	12. Lease Type	13. Ground Level Elevation	
New Well	OIL		State	3573	
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date	
N	11299	Abo		1/15/2011	
Depth to Ground	water	Distance from nearest fresh	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 I	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	400	425	
Int1	12.25	9.625	36	2150	725	
Int2	12.25	7	26	6100	820	
Prod	8.75	4.5	11.6	11299	0	

Casing/Cement Program: Additional Comments

H2S is not anticipated for this well.

Proposed Blowout Prevention Program

	Type	Working Pressure	Test Pressure	Manufacturer
Do	oubleRam	3000	3000	8

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: Randy Dade			
Printed Name: Electronically filed by Monti Sanders	Title: District Supervisor			
Title:	Approved Date: 12/16/2010 Expiration Date: 12/16/2012			
Email Address: montis@yatespetroleum.com				
Date: 12/15/2010 Phone: 575-748-4244	Conditions of Approval Attached			

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 124579

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

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

	EDD DO CHILLOTTIA IN TO THE	TOL DEDICITION		
1. API Number	2. Pool Code 3. I		3. Pool Name	
30-015-38317	97691 WC;CROW		W FLATS;ABO	
4. Property Code	5. Property Name		6. Well No.	
38420	BLACKBIRD BKR STATE COM		003H	
7. OGRID No.	8. Operator Name		9. Elevation	
25575	YATES PETROLEUM CORPORATION 3573			

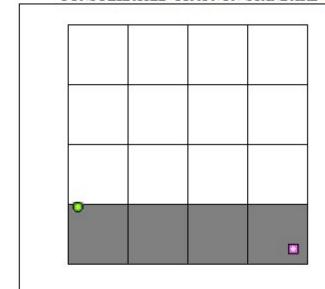
10. Surface Location

Š	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	M	32	16S	28E	1.	1270	S	200	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
	32	16S	28E	P	360	S	330	E	EDDY
	cated Acres	13. J	oint or Infil1	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: 12/15/2010

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: 12/6/2010 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575 Well: BLACKBIRD BKR STATE COM #003H

API: 30-015-38317

Created By	Comment	Comment Date
MSANDERS	Pilot hole will be drilled to 6830". Well will be plugged back to approx. 6100" with a 500"-600" kick off plug, then 7" casing will be set at 6100" and cemented. Well will be kicked off at 6188" at 12 degrees per 100" with a 6 1/8" hole to 11299' MD with a TVD of 6540" where 4 1/2" Peak Completion Liner Assembly will be set and NOT be cemented.	
MSANDERS	Penetration point of producing formation encountered at 1177' FSL and 682' FWL, 32-16S-28E. Deepest TVD of the well will be in the pilot hole @ 6830'. Deepest TVD in the lateral will be 6866'.	12/15/2010
MSANDERS	C-144 for a Closed Loop System and Drilling Plan to follow by mail.	12/15/2010
Artesia	LAND S/S	12/16/2010

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575 Well: BLACKBIRD BKR STATE COM #003H

API: 30-015-38317

OCD Reviewer	Condition
Artesia	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