

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
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 124579

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

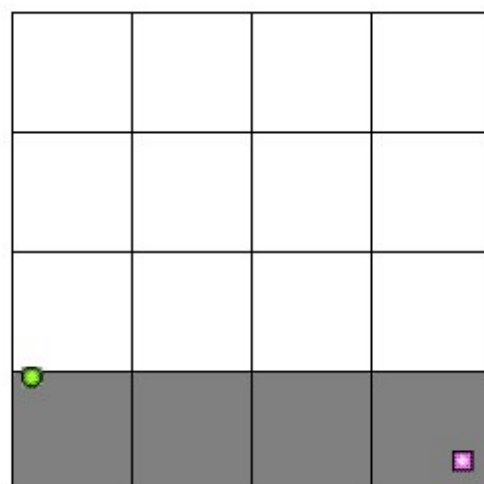
10. Surface Location

UL - Lot M	Section 32	Township 16S	Range 28E	Lot Idn	Feet From 1270	N/S Line S	Feet From 200	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

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UL - Lot P	Section 32	Township 16S	Range 28E	Lot Idn P	Feet From 360	N/S Line S	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 160.00		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: 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.	12/15/2010
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 6666'.	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