State of New Mexico

Form C-101 Permit 129789

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 PETROLI	Name and Address EUM CORPORATION	2. OGRID Number 25575	
	8 4TH 8T A , NM 88210	3. API Number 30-05-29177	
4. Property Code 38584	5. Property Name LEE BRC	6. Wett No. 001	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	35	118	31E	N	990	S	1980	W	CHAVES

8. Pool Information

WILDCAT:MISSISSIPPIAN	(GAS)	97791

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable Rotary	12. Lesse Ty Private	pe 13. Ground Level Elevation 4449
14. Multiple N	15. Proposed Depth 11150	16. Formation Mississippian Age Rocks-Undivide	17. Contracto	or 18. Spud Date 4/15/2011
Depth to Groun	nd water	Distance from nearest fresh water we	e11	Distance to nearest surface water
Pit: Liner: Synthetic Closed Loop Sys			Orilling 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	14.75	11.75	42	400	275	0
Int1	11	8.625	24	2100	1050	0
Int1	11	8.625	32	100	0	0
Int1	11	8.625	32	3650	0	0
Prod	7.875	5.5	17	11150	535	8000
Prod	7.875	5.5	17	10500	620	3150

Casing/Cement Program: Additional Comments

H2S is not anticipated for this well.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

of my knowledge and belief.	ition given above is true and complete to the best ling pit will be constructed according to	OIL CONSERVATION DIVISION Approved By: Paul Kautz				
NMOCD guidelines , a ger OCD-approved plan .	neral permit , or an (attached) alternative					
Printed Name: Electronic	ally filed by Monti Sanders	Title: Geologist				
Title:		Approved Date: 4/15/2011	Expiration Date: 4/15/2013			
Email Address: montis@	yatespetroleum.com		2 - 12			
Date: 4/15/2011	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 I

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 129789

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	2. Pool Code		3. Pool Name	
30-05-29177	97791		WILDCAT;MISSISSIPPIAN (GAS)	
4. Property Code	5. Property Name		6. Well No.	
38584	LEE BRC		001	
7. OGRID No. 25575	8. Operato YATES PETROLEUN		9. Elevation 4449	

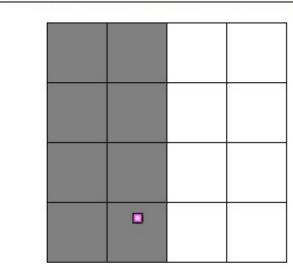
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	35	11S	31E	1000	990	S	1980	W	CHAVES

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S Li	ne	Feet From	E/W Line	County
0.000	cated Acres	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: 4/15/2011

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: 1/26/2011
Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION, 25575

Well: LEE BRC #001 API: 30-05-29177

Created By	Comment	Comment Date
MSANDERS	Well drilled vertically to 11150'. Well will be evaluated and if comercial 5 1/2" casing will be ran and cemented.	4/5/2011
MSANDERS	MUD PROGRAM: 0-400' Fresh Water; 400'-1400' Fresh Water; 1400'-3650' Red Bed Mud; 3650'-7200' Cut Brine; 7200'-10500' Salt Gel and Starch; 10500'-11150' Salt Gel and Starch.	4/5/2011
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi system nippled up on 11 3/4" and 8 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-400 191 psi; 400-3650 1800 psi; 3650'-11150' 5798 psi. Depths are TVD.	4/5/2011
MSANDERS	C-144 for a Closed Loop System to follow by mail.	4/5/2011
pkautz	Land P/P	4/7/2011
DMULL	Need correction on the Plat. Intent to drill this well as a Gas well to the Mississippian, requires 320 acres. You have only dedicated 40 acres. Please correct & resubmit.	4/7/2011
DMULL	Yates Petroleum Corp is out of compliance with Rule19.15.5.9(A)(1). Financial Assurance. AT this time OCD is rejecting this intent to drill.	4/7/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575 Well: LEE BRC #001

API: 30-05-29177

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