

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210		2. OGRID Number 25575
		3. API Number 30-015-39153
4. Property Code 38671	5. Property Name GOPHER BRG STATE	6. Well No. 002

UL - Lot N	Section 13	Township 17S	Range 28E	Lot Idn N	Feet From 330	N/S Line S	Feet From 2100	E/W Line W	County EDDY
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EMPIRE: GLORIETA-YESO	96210
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3702
14. Multiple N	15. Proposed Depth 5200	16. Formation Yeso Formation	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit:	Liner: Synthetic <input type="checkbox"/> Closed Loop System <input type="checkbox"/>	mils thick <input type="checkbox"/> Clay <input type="checkbox"/>	Pit Volume: <input type="text"/>	bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	300	165	0
Prod	7.875	5.5	15.5	5200	815	0

Surface cement will have 100% excess. Production cement to be done in two stages with stage tools at approx. 3600'. Stage I from 5200'-3600': cement with 300 sacks of Class C Poz 50/50 (YLD 1.30 WT 14.2) TOC=3000', designed with 35% excess. Stage II from 3600'-0': lead with 415 sacks of Class C Poz (YLD 2.10 WT 12.4) designed with 35% excess. Tail with 100 sacks of Class C Poz 50/50 (YLD 1.30 WT 14.2). TOC=0.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

OIL CONSERVATION DIVISION

Approved By: Randy Dade

Title: District Supervisor

Approved Date: 6/21/2011	Expiration Date: 6/21/2013
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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 133459

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39153	2. Pool Code 96210	3. Pool Name EMPIRE; GLORIETA-YESO
4. Property Code 38671	5. Property Name GOPHER BRG STATE	6. Well No. 002
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3702

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	13	17S	28E		330	S	2100	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
12. Dedicated Acres 40.00	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: 6/21/2011

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: 5/7/2011

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: GOPHER BRG STATE #002

API: 30-015-39153

Created By	Comment	Comment Date
clif	H2S may be present, operator to submit h2s contingency plan per the rules and regulations of Rule 118 before well is spudded.	6/21/2011
clif	Maximum anticipated BHP: 0-300' is 130 psi, 300'-5200' is 2650 psi.	6/21/2011
clif	Well drilled vertically to 5200'. Well will be evaluated & if commercial, 5 1/2" casing will be ran & cemented.	6/21/2011
clif	Mud Program: 0-300' will be drilled with fresh water with a weight of 8.6-9.2, and a viscosity of 29-36. From 300'-5200' will be drilled with cut brine with a weight of 10.0-9.5, a viscosity of 29-35, and a water loss of no-20cc.	6/21/2011
clif	C-144 for a closed loop system to follow by mail.	6/21/2011
Artesia	Potash letter sent to BLM and SLO for approval	6/21/2011
Artesia	Land S/S	6/21/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: GOPHER BRG STATE #002

API: 30-015-39153

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