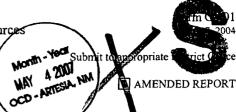
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV

Date: May 2, 2007

Phone: 505-748-4168

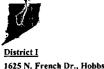
State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505



1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address OGRID Number Yates Petroleum Corporation 105 S. 4th Street Artesia, NM 88210 025575 API Number 30-015-30950 Property Code Property Name Well No. 25283 Ernest AUQ 9 Proposed Pool 10 Proposed Pool 2 rep. Surface Location UL or lot no. Section Township Lot Idn Feet from the North/South line Feet from the East/West line County Range 35 17S 25E 1980 South 990 West Eddy ⁸ Proposed Bottom Hole Location If Different From Surface Lot Idn North/South line UL or lot no Section Township Range Feet from the Feet from the East/West line County Additional Well Information 13 Cable/Rotary 12 Well Type Code 15 Ground Level Elevation Work Type Code Lease Type Code 3504'GR N/A P Α 16 Multiple Proposed Depth Formation Spud Date Contractor Υ N/A Strawn N/A ASAP Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Liner: Synthetic mils thick Clay Pit Volume: Pit: Drilling Method: Closed-Loop System Fresh Water Brine Diesel/Oil-based Gas/Air ²¹ Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC IN PLACE ²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Yates Petroleum Corporation plans to recomplete this well as follows: Release packer and POOH with tubing, laying down all but +/-6500'. Set a 7" composite flow through plug at 8377'. Perforate Cisco 6496'-6506' (22), 6554'-6558' (10), 6606'-6612' (14) and 6650'-6660' (22). Stimulate as needed. ²³ I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOOD guidelines, , a general permit , or Approved by: an (attached) alternative OCD-approved plan **BRYAN G. ARRANT** Signature DISTRICT II GEOLOGIST Printed name: Tina Huerta Expiration Date: MAY 0 7 2008 Approval Date MAY 0 7 2007 Title: Regulatory Compliance Supervisor E-mail Address: tinah@ypcnm com

Conditions of Approval Attached



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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Revised October

Revised October

A 200 Appropriate Distance of State Lease - 3 Company of the C

Certificate Number

1000 Rio Brazos Rd., Aztec, NM 87410				Santa Fe, NM 87505				Fee Lease - 3 Copie		
<u>District IV</u> 1220 S. St. Francis	Dr., Santa l	Fe, NM 875	505		Dana 1 C	, 14141 07303	6		AMEN	NDED REPORT
			WELL LO	OCATIO:	N AND A	CREAGE DED				
¹ API Number 30-015-30950				7001 Code 50 L. Eagle (Ne					no-1	Penn
⁴ Property (⁵ Property Name					⁶ Well Number	
25283 7 OGRID No.					est AUQ ator Name	<u>.</u>		9 Elevation		
025575		Yates Petroleum Corporation								504'GR
						ce Location		<u>-</u> -		=
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the		Feet from the	East/West	line	County
L	35	17S	25E		1980	South	990	West	t	Eddy
			11 B	ottom Ho	le Locatio	n If Different Fr	om Surface			
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	ne North/South line	Feet from the	om the East/West line		County
Dedicated Acres	¹³ Joint o	r Infili	14 Consolidation	Code 15 O	rder No.	<u> </u>				
							to the best of owns a works the proposed location purs interest, or to order heretof Signature Tima Huerta	I hereby certify that the information contained herein is true and compto 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 or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or wor interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. May 2, 2007 Signature Date Tima Huerta Printed Name		
9 90'W	351						18 SUR I hereby o plat was p made by t same is tr	EVEYOR (certify that the colouted from fie me or under my true and correct	well locati eld notes of v supervisi t to the bes	
	930'5									