

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		² OGRID Number 025575	
		³ Reason for Filing Code/ Effective Date NW	
⁴ API Number 30 – 025 - 39753	⁵ Pool Name Hightower; Upper Penn, East		⁶ Pool Code 31430
⁷ Property Code 38442	⁸ Property Name Milsap BGV State		⁹ Well Number 3

II. ¹⁰ Surface Location

UL or lot no. K	Section 25	Township 12S	Range 33E	Lot Idn	Feet from the 1878	North/South Line South	Feet from the 1874	East/West line West	County Lea
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¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code S	¹³ Producing Method Code P	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
035246	Shell Trading US Company P. O. Box 4604 Houston, TX 77210-4604	O

IV. Well Completion Data

²¹ Spud Date 12/27/10	²² Ready Date 4/23/11	²³ TD 12,849'	²⁴ PBDT 10,130'	²⁵ Perforations 9824'-9988'	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
26"	20"	40'	Conductor		
14-3/4"	11-3/4"	430'	385 sx (circ)		
11"	8-5/8"	4196'	1240 sx (circ)		
7-7/8"	5-1/2"	12,665'	1695 sx (TOC 4150'est)		
	2-7/8"	10,055'			

V. Well Test Data

³¹ Date New Oil 4/23/11	³² Gas Delivery Date	³³ Test Date 4/27/11	³⁴ Test Length 24 hrs	³⁵ Tbg. Pressure 250 psi	³⁶ Csg. Pressure 50 psi
³⁷ Choke Size NA	³⁸ Oil 14	³⁹ Water 42	⁴⁰ Gas 0		⁴¹ Test Method Pump Test

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Tina Huerta

Title:

Regulatory Compliance Supervisor

E-mail Address:

tinah@yatespetroleum.com

Date:

April 29, 2011

Phone:

575-748-4168

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

MAY 27 2011