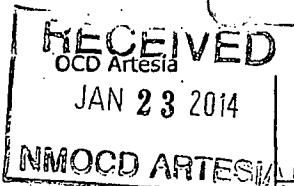


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

51. Lease Serial No.
NMNM94614

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name	
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resrv. Other		7. Unit or CA Agreement Name and No.	
2. Name of Operator YATES PETROLEUM CORPORATION Contact: LAURA WATTS Mail: laura@yatespetroleum.com		8. Lease Name and Well No. CHECKER BIC FEDERAL COM 4H	
3. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		9. API Well No. 30-015-40962	
3a. Phone No. (include area code) Ph: 575-748-4272		10. Field and Pool, or Exploratory HACKBERRY, B. S. NORTH	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NENE 660FNL 330FEL At top prod interval reported below NENE 660FNL 330FEL At total depth NWNW 970FNL 332FWL		11. Sec., T., R., M., or Block and Survey or Area Sec 9 T19S R31E Mer	
14. Date Spudded 08/30/2013		15. Date T.D. Reached 09/29/2013	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 12/12/2013		17. Elevations (DF, KB, RT, GL)* 3577 GL	
18. Total Depth: MD 13457 TVD		19. Plug Back T.D.: MD 13372 TVD	
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) HI-RES LATEROLOGY ARRAY/CNL/CBL	
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis)			

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
26.000	20.000		0	40				0	
17.500	13.375 J-55	48.0	0	736		810		0	
12.250	9.625 J-55	36.0	0	4520		1390		0	
8.500	5.500 P-110	15.5	0	13420		1870		3212	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	9002							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING	9472	13306	9472 TO 13306		468	PRODUCING
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
9472 TO 13306	ACIDIZE WITH 82452 GALS 7.5 PERCENT HCL. FRAC WITH A TOTAL OF 4,431,532 LBS 20/40, 16/30 JORDAN.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/13/2013	12/17/2013	24	→	170.0	166.0	1502.0			GAS LIFT
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
39/64	SI 120	1060.0	→	170	166	1502		POW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	SI		→						

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #230526 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

RECLAMATION
DUE 6-12-14

4

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				RUSTLER	632
				TOP OF SALT	1116
				BASE OF SALT	2134
				TANSILL	2354
				YATES	2486
				SEVEN RIVERS	2866
				QUEEN	3498
				CAPITAN REEF	4298

32. Additional remarks (include plugging procedure):

52. Formation (Log) Markers (continued)
Cherry Canyon 4756
Brushy Canyon 5402
Bone Spring 6588

2 sets of logs mailed to BLM-Carlsbad and 1 set to NMOCD-Artesia on 12/26/13.

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7. Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #230526 Verified by the BLM Well Information System.
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by JOHNNY DICKERSON on 01/17/2014 ()

Name (please print) LAURA WATTS

Title REG REPORTING TECHNICIAN

Signature (Electronic Submission)

Date 12/26/2013

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212; make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



RECEIVED OOD

2014 AUG -4 P 3: 04

IN REPLY REFER TO:

NM133035

3105.2 (P0220)

Reference:

Checker BIC Fed Com 4H

T. 19 S., R. 31 E.,

Section 9, N2N2

Eddy County, NM

JUL 29 2014

Yates Petroleum Corporation

105 South Fourth Street

Artesia, NM 88220-6292

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM133035 involving 120 acres of Federal land in lease NM82902, and 40 acres of Federal land in lease NM094614 Eddy County, New Mexico, which comprise a 160 acre well spacing unit.

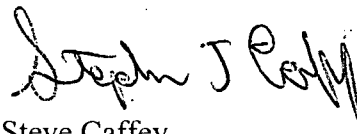
The agreement communitizes all rights to all producible hydrocarbons from the Hackberry formation beneath N2N2 of sec. 9, T. 19 S., R. 31 E., NMPM, and is effective 07/15/2013. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward G. Fernandez, Petroleum Engineer at (575) 234-2220.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve J Caffey". The signature is fluid and cursive, with the first name "Steve" and last name "Caffey" clearly distinguishable.

Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

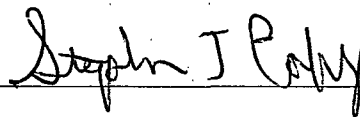
NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the, W2W2 of sec. 13, T. 25 S., R. 34 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:



Authorized Officer
Stephen Caffey
Asst. Field Mgr.

Effective: July 15, 2013

Contract No.: Com. Agr. NM133035



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM133035
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM133035

Date of Completion:	12/12/2013
Date of First Production:	12/13/2013
Field:	Hackberry
Operator, Well Name & No, API Number:	Yates Petroleum; Checker BIC Fed Com 4H; 3001540962
Surface Location:	N2N2 sec. 9, T. 19 S., R. 31 E.
Total Depth:	13,457 MD; ' TVD
Surface Elevation:	3,577 GL
Producing Formation:	Hackberry (9,472 – 13,306)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 170 BBL; Gas 166 MCF; Water 1,502 BBL
Current Status:	Producing Gas Well
Remarks:	CA NM133035, effective 07/15/2013, communitizes production of all gas and fluid hydrocarbons in the Hackberry formation beneath the N2N2 of sec. 9, T. 19S, R. 31 E., NMPM, and comprises 120 acres of Federal land in lease NM82902, and 40 acres of Federal land in lease NM094614 for a 160 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Arthur Morrison at ajmorrison@blm.gov.

/S/ **Arthur Morrison**
July 29, 2014

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)