

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

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMLC028978B	
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. Resvr. Other _____		6. If Indian, Allottee or Tribe Name	
2. Name of Operator YATES PETROLEUM CORPORATION		7. Unit or CA Agreement-Name and No.	
Contact: LAURA WATTS Mail: laura@yatespetroleum.com		8. Lease Name and Well No. BENSON DEEP AAS FEDERAL COM 2H	
3. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210		9. API Well No. 30-015-41247	
3a. Phone No. (include area code) Ph: 575-748-4272		10. Field and Pool, or Exploratory LEO; BONE SPRING, SOUTH	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NWNW 660FNL 300FWL At top prod interval reported below NWNW 660FNL 300FWL At total depth NENE 939FNL 325FEL		11. Sec., T., R., M., or Block and Survey or Area Sec 33 T18S R30E Mer	
14. Date Spudded 12/04/2013		15. Date T.D. Reached 01/03/2014	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 03/13/2014		17. Elevations (DF, KB, RT, GL)* 3425 GL	

18. Total Depth: 12748 MD	19. Plug Back: 14 MD	20. Depth Bridge Plug Set: 12697 MD
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) CNL, HI-RES, LATEROLOG ARRAY, 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 checked="" type="checkbox"/> No <input 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 Cementer 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	339		435		0	
12.250	9.625 J-55	40.0	0	3526		1060		0	
8.500	5.500 P-110	17.0	0	12745		1725		3530	

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	8252	8246						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BONE SPRING	8507	12687	8507 TO 12687		468	PRODUCING
B)						
C)						
D)						

26. Perforation Record

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

Depth Interval	Amount and Type of Material
8507 TO 12687	ACIDIZED WITH 67,500G 7.5 PERCENT HCL ACID, FRAC WITH A TOTAL OF 4,768 LBS 20/40 AND 16/30 WS

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
03/14/2014	03/18/2014	24	→	428.0	325.0	529.0			GAS LIFT
Choke Size	Thg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
36/64	SI	290	→	428	325	529		POW	

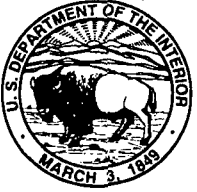
28a. Production - Interval B

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	Thg. 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 #250001 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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



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



IN REPLY REFER TO:

NM133269

3105.2 (P0220)

Reference:

Benson Deep AAS Fed Com 2H

T. 18 S., R. 30 E.,

Section 33, N2N2

Eddy County, NM

SEP 09 2014

Yates Petroleum Corporation

105 South Fourth Street

Artesia, NM 88220-6292

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM133269 involving 80 acres of Federal land in lease NMLC028978B, and 80 acres of Federal land in lease NMNM27276 Eddy County, New Mexico, which comprise a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath N2N2 of sec. 33, T. 18 S., R. 30 E., NMPM, and is effective 3/1/14.

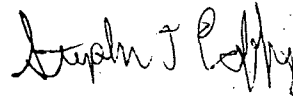
Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

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 Caffey".

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)

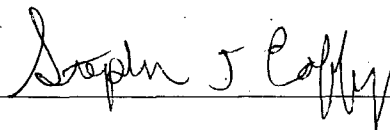
NM (P0220-CFO, File Room)

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, N2N2 of sec. 33, T. 18 S., R. 30 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: 3/1/14

Contract No.: Com. Agr. NM133269



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
NM133269
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM133269

Date of Completion:	3/13/14
Date of First Production:	3/14/14
Field:	Leo
Operator, Well Name & No, API Number:	Yates Petroleum; Benson Deep AAS Fed Com 2H; 3001541247
Surface Location:	N2N2 sec. 33, T. 18 S., R. 30 E.
Total Depth:	12,748 MD; ' TVD
Surface Elevation:	3,425 GL
Producing Formation:	Bone Spring (8,507 – 12,687)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 428 BBL; Gas 325 MCF; Water 529 BBL
Current Status:	Producing Gas Well
Remarks:	CA NM133269, effective 3/1/14, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath the N2N2 of sec. 33, T. 18S; R. 30 E., NMPM, and comprises 80 acres of Federal land in lease NMLC028978B, and 80 acres of Federal land in lease NMNM27276 for a 160 acre well spacing unit, whose leases are held by actual production.

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

/S/ Arthur Morrison
9/9/14

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



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