

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5 Lease Serial No  
NMNM0437523

|                                                                                                                                                                                                                               |  |                                                                                               |                                                                              |                                                                                                                                                                                                                                                                                                                             |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 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. Resvr.<br>Other _____ |  |                                                                                               | 7 Unit or CA Agreement Name and No<br>NMNM129302                             |                                                                                                                                                                                                                                                                                                                             |  |
| 2. Name of Operator<br>YATES PETROLEUM CORPORATION-Mail: tina@yatespetroleum.com                                                                                                                                              |  |                                                                                               | 8. Lease Name and Well No.<br>GRATEFUL BOD FEDERAL COM 2H                    |                                                                                                                                                                                                                                                                                                                             |  |
| 3 Address 105 SOUTH FOURTH STREET<br>ARTESIA, NM 88210                                                                                                                                                                        |  |                                                                                               | 9 API Well No<br>30-015-38518-00-S1                                          |                                                                                                                                                                                                                                                                                                                             |  |
| 3a Phone No (include area code)<br>Ph: 575-748-4168                                                                                                                                                                           |  |                                                                                               | 10 Field and Pool, or Exploratory<br>WILDCAT                                 |                                                                                                                                                                                                                                                                                                                             |  |
| 4 Location of Well (Report location clearly and in accordance with Federal requirements)*<br>At surface SENE 1650FNL 330FEL<br>At top prod interval reported below SENE 1650FNL 330FEL<br>At total depth SWNW 2017FNL 369FWL  |  |                                                                                               | 11 Sec., T., R., M., or Block and Survey<br>or Area Sec 13 T18S R29E Mer NMP |                                                                                                                                                                                                                                                                                                                             |  |
| 14 Date Spudded<br>03/31/2012                                                                                                                                                                                                 |  | 15 Date T.D. Reached<br>05/11/2012                                                            |                                                                              | 16 Date Completed<br><input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod<br>06/24/2012                                                                                                                                                                                                         |  |
| 17 Elevations (DF, KB, RT, GL)*<br>3494 GL                                                                                                                                                                                    |  | 18 Total Depth MD<br>TVD 12247<br>7848                                                        |                                                                              | 19 Plug Back T.D. MD<br>TVD 12201                                                                                                                                                                                                                                                                                           |  |
| 20 Depth Bridge Plug Set MD<br>TVD                                                                                                                                                                                            |  | 21 Type Electric & Other Mechanical Logs Run (Submit copy of each)<br>CNL HI-RESLATEROLOG CBL |                                                                              | 22 Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)<br>Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)<br>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 Cementer Depth | No. of Sks. & 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        | 370         |                      | 440                          |                  | 0           |               |
| 12 250    | 9 625 K-55    | 36 0      | 0        | 3301        |                      | 930                          |                  | 0           |               |
| 8.500     | 5.500 HCP-110 | 17 0      | 0        | 12203       | 8117                 | 1060                         |                  | 2400        |               |

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 | 7400           |                   |      |                |                   |      |                |                   |

25 Producing Intervals

26 Perforation Record

| Formation      | Top  | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|----------------|------|--------|---------------------|------|-----------|--------------|
| A) BONE SPRING | 8290 | 12133  | 8171 TO 12133       |      |           | frac ports   |
| B)             |      |        |                     |      |           |              |
| C)             |      |        |                     |      |           |              |
| D)             |      |        |                     |      |           |              |

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

| Depth Interval | Amount and Type of Material                |
|----------------|--------------------------------------------|
| 8171 TO 12133  | See well file for acid and frac treatments |

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NOV 06 2012

NMOC D ARTESIA

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     |
|---------------------|--------------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-----------------------|
| 06/25/2012          | 07/12/2012         | 24           | →               | 224 0   | 149 0   | 192.0     |                      |             | ELECTRIC PUMPING UNIT |
| Choke Size          | Thg. Press Flwg SI | Csg. Press   | 24 Hr Rate      | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio        | Well Status |                       |
|                     |                    |              | →               | 224     | 149     | 192       |                      | 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 SI | Csg. Press   | 24 Hr Rate      | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio        | Well Status |                   |
|                     |                    |              | →               |         |         |           |                      |             |                   |

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

ELECTRONIC SUBMISSION #143725 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

*[Handwritten signature]*

| 28b Production - Interval C |                   |              |                      |         |         |           |                      |             |                   |
|-----------------------------|-------------------|--------------|----------------------|---------|---------|-----------|----------------------|-------------|-------------------|
| Date First Produced         | Test Date         | Hours Tested | Test Production<br>→ | 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<br>→      | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio        | Well Status |                   |

| 28c Production - Interval D |                   |              |                      |         |         |           |                      |             |                   |
|-----------------------------|-------------------|--------------|----------------------|---------|---------|-----------|----------------------|-------------|-------------------|
| Date First Produced         | Test Date         | Hours Tested | Test Production<br>→ | 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<br>→      | 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)                                                                                                                                                                    | 31 Formation (Log) Markers |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 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 |                            |

| Formation    | Top  | Bottom | Descriptions, Contents, etc | Name         | Top         |
|--------------|------|--------|-----------------------------|--------------|-------------|
|              |      |        |                             |              | Meas. Depth |
| RUSTLER      | 310  | 1117   |                             | RUSTLER      | 310         |
| TANSILL      | 1118 | 1229   |                             | TANSILL      | 1118        |
| YATES        | 1230 | 1597   |                             | YATES        | 1230        |
| SEVEN RIVERS | 1598 | 2224   |                             | SEVEN RIVERS | 1598        |
| QUEEN        | 2225 | 2638   |                             | QUEEN        | 2225        |
| GRAYBURG     | 2639 | 3156   |                             | GRAYBURG     | 2639        |
| SAN ANDRES   | 3157 | 4207   |                             | SAN ANDRES   | 3157        |
| BONE SPRING  | 4208 | 12247  |                             | BONE SPRING  | 4208        |

32. Additional remarks (include plugging procedure).  
CONTINUED:

44 ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC  
TOP-BOTTOM-AMOUNT AND TYPE OF MATERIAL  
11665-1000G 7-1/2% HCL ACID, 121386LB SAND  
11512-1000G 7-1/2% HCL ACID, 121829LB SAND  
11356-1000G 7-1/2% HCL ACID, 121029LB SAND  
11197-1000G 7-1/2% HCL ACID, 119746LB SAND

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 #143725 Verified by the BLM Well Information System.  
For YATES PETROLEUM CORPORATION, sent to the Carlsbad  
Committed to AFMSS for processing by KURT SIMMONS on 08/02/2012 (12KMS2641SE)

Name (please print) TINA HUERTA Title REG REPORTING SUPERVISOR

Signature (Electronic Submission) Date 07/24/2012

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.

**\*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\***

**Additional data for transaction #143725 that would not fit on the form**

**32. Additional remarks, continued**

11042-1000G 7-1/2% HCL ACID, 121094LB SAND  
10885-1000G 7-1/2% HCL ACID, 122400LB SAND  
10728-1000G 7-1/2% HCL ACID, 121072LB SAND  
10570-1000G 7-1/2% HCL ACID, 121682LB SAND  
10416-1000G 7-1/2% HCL ACID, 121539LB SAND  
10261-1000G 7-1/2% HCL ACID, 120491LB SAND  
10102-1000G 7-1/2% HCL ACID, 120873LB SAND  
9946-1000G 7-1/2% HCL ACID, 120083LB SAND  
9791-1000G 7-1/2% HCL ACID, 119878LB SAND  
9633-1000G 7-1/2% HCL ACID, 120513LB SAND  
9474-1000G 7-1/2% HCL ACID, 121095LB SAND  
9315-1000G 7-1/2% HCL ACID, 119228LB SAND  
9156-1000G 7-1/2% HCL ACID, 122747LB SAND  
8996-1000G 7-1/2% HCL ACID, 120894LB SAND  
8837-1000G 7-1/2% HCL ACID, 120002LB SAND  
8678-1000G 7-1/2% HCL ACID, 112543LB SAND  
8519-1000G 7-1/2% HCL ACID, 127704LB SAND  
8405-1000G 7-1/2% HCL ACID, 143446LB SAND  
8290-1000G 7-1/2% HCL ACID, 127255LB SAND

DEVIATION AND DIRECTIONAL SURVEYS ATTACHED 2 SETS OF LOGS MAILED TO BLM-CARLSBAD AND 1 SET OF LOGS MAILED TO NMOCD-ARTESIA ON 7/24/12

## Revisions to Operator-Submitted EC Data for Well Completion #143725

|                                                      | Operator Submitted                                                                                                   | BLM Revised (AFMSS)                                                                                                   |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Lease:                                               | NMNM0437523                                                                                                          | NMNM0437523                                                                                                           |
| Agreement                                            |                                                                                                                      | NMNM129302 (NMNM129302)                                                                                               |
| Operator                                             | YATES PETROLEUM CORPORATION<br>105 SOUTH FOURTH STREET<br>ARTESIA, NM 88210<br>Ph 575-748-1471                       | YATES PETROLEUM CORPORATION<br>105 SOUTH FOURTH STREET<br>ARTESIA, NM 88210<br>Ph 575 748 1471                        |
| Admin Contact                                        | TINA HUERTA<br>REG REPORTING SUPERVISOR<br>E-Mail tinah@yatespetroleum.com<br><br>Ph 575-748-4168<br>Fx 575-748-4585 | TINA HUERTA<br>REG REPORTING SUPERVISOR<br>E-Mail tinah@yatespetroleum.com<br><br>Ph 575-748-4168<br>Fx. 575-748-4585 |
| Tech Contact                                         | TINA HUERTA<br>REG REPORTING SUPERVISOR<br>E-Mail tinah@yatespetroleum.com<br><br>Ph 575-748-4168<br>Fx 575-748-4585 | TINA HUERTA<br>REG REPORTING SUPERVISOR<br>E-Mail tinah@yatespetroleum.com<br><br>Ph 575-748-4168<br>Fx 575-748-4585  |
| Well Name:<br>Number                                 | GRATEFUL BOD FEDERAL COM<br>2H                                                                                       | GRATEFUL BOD FEDERAL COM<br>2H                                                                                        |
| Location:<br>State<br>County:<br>S/T/R:<br>Surf Loc: | NM<br>EDDY<br>Sec 13 T18S R29E Mer<br>SENE 1650FNL 330FEL                                                            | NM<br>EDDY<br>Sec 13 T18S R29E Mer NMP<br>SENE 1650FNL 330FEL                                                         |
| Field/Pool                                           | SAND TANK, BONE SPRING                                                                                               | WILDCAT                                                                                                               |
| Logs Run:                                            | CNL, HI-RES LATEROLOG ARRAY, CBL                                                                                     | CNL HI-RESLATEROLOG CBL                                                                                               |
| Producing Intervals - Formations                     | BONE SPRING                                                                                                          | BONE SPRING                                                                                                           |
| Porous Zones                                         | RUSTLER<br>TANSILL<br>YATES<br>SEVEN RIVERS<br>QUEEN<br>GRAYBURG<br>SAN ANDRES<br>BONE SPRING                        | RUSTLER<br>TANSILL<br>YATES<br>SEVEN RIVERS<br>QUEEN<br>GRAYBURG<br>SAN ANDRES<br>BONE SPRING                         |
| Markers                                              | RUSTLER<br>TANSILL<br>YATES<br>SEVEN RIVERS<br>QUEEN<br>GRAYBURG<br>SAN ANDRES<br>BONE SPRING                        | RUSTLER<br>TANSILL<br>YATES<br>SEVEN RIVERS<br>QUEEN<br>GRAYBURG<br>SAN ANDRES<br>BONE SPRING                         |