

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-33395 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> C.I.D. <input checked="" type="checkbox"/> State Oil & Gas Lease No.																															
WELL COMPLETION OR RECOMPLETION REPORT AND LOG																																	
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER CONFIDENTIAL b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR.		7. Lease Name or Unit Agreement Name Lake Shore XH Federal Com <div style="text-align: right; font-weight: bold;">RECEIVED</div>																															
2. Name of Operator Yates Petroleum Corporation		8. Well No. 2																															
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471		9. Pool name or Wildcat Burton Flat Morrow																															
4. Well Location <table style="width:100%; border: none;"> <tr> <td style="text-align: center;">Surf-Unit Letter</td> <td style="text-align: center;">F</td> <td style="text-align: center;">:</td> <td style="text-align: center;">2100</td> <td style="text-align: center;">feet from the</td> <td style="text-align: center;">North</td> <td style="text-align: center;">line and</td> <td style="text-align: center;">2271</td> <td style="text-align: center;">feet from the</td> <td style="text-align: center;">West</td> <td style="text-align: center;">line</td> </tr> <tr> <td style="text-align: center;">BHL-Unit Letter</td> <td style="text-align: center;">A</td> <td style="text-align: center;">:</td> <td style="text-align: center;">896</td> <td style="text-align: center;">feet from the</td> <td style="text-align: center;">North</td> <td style="text-align: center;">line and</td> <td style="text-align: center;">988</td> <td style="text-align: center;">feet from the</td> <td style="text-align: center;">East</td> <td style="text-align: center;">line</td> </tr> </table> <table style="width:100%; border: none;"> <tr> <td style="text-align: center;">Section</td> <td style="text-align: center;">11</td> <td style="text-align: center;">Township</td> <td style="text-align: center;">21S</td> <td style="text-align: center;">Range</td> <td style="text-align: center;">26E</td> <td style="text-align: center;">NMPM</td> <td style="text-align: center;">Eddy</td> <td style="text-align: center;">County</td> </tr> </table>			Surf-Unit Letter	F	:	2100	feet from the	North	line and	2271	feet from the	West	line	BHL-Unit Letter	A	:	896	feet from the	North	line and	988	feet from the	East	line	Section	11	Township	21S	Range	26E	NMPM	Eddy	County
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10. Date Spudded RH 8/12/04 RT 8/18/04	11. Date T.D. Reached 10/11/04	12. Date Compl. (Ready to Prod.) 2/23/05	13. Elevations (DF& RKB, RT, GR, etc.) 3191'GR 3209'KB		14. Elev. Casinghead																												
15. Total Depth 11,910'	16. Plug Back T.D. 11,420'	17. If Multiple Compl. How Many Zones? 40'-11,910'	18. Intervals Drilled By Rotary Tools	Cable Tools																													
19. Producing Interval(s), of this completion - Top, Bottom, Name 11,308'-11,388' Morrow				20. Was Directional Survey Made Yes																													
21. Type Electric and Other Logs Run CNL, Hi-Res Laterolog Array, CBL				22. Was Well Cored No																													
23. CASING RECORD (Report all strings set in well)																																	
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED																												
20"	Conductor	40'																															
13-3/8"	48#	605'	17-1/2"	930 sx (circ)																													
9-5/8"	36#	2346'	12-1/4"	1530 sx (circ)																													
5-1/2"	17# & 20#	11,910'	8-3/4"	2315 sx (TOC 1800')																													
24. LINER RECORD			25. TUBING RECORD																														
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE																												
					2-7/8"																												
					10,890'																												
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26. Perforation record (interval, size, and number)			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.																														
11,576'-11,582' (37)			11,308'-11,312' (25)																														
11,438'-11,448'			11,376'-11,388' (73)																														
11,482'-11,506'			11,322'-11,330' (49)																														
11,512'-11,524' (279 total)			11,336'-11,346' (61)																														
			11,352'-11,372' (121)																														
			SEE ATTACHED SHEET																														
28. PRODUCTION																																	
Date First Production 2/24/05		Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>) Flowing		Well Status (<i>Prod. or Shut-in</i>) Producing																													
Date of Test 3/24/05	Hours Tested 24 hrs	Choke Size	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 2750																												
Flow Tubing Press. 375 psi	Casing Pressure 270 psi	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 2750	Water - Bbl. 15																												
					Oil Gravity - API - (<i>Corr.</i>) NA																												
29. Disposition of Gas (<i>Sold, used for fuel, vented, etc.</i>) Sold					Test Witnessed By B. Wallace																												
30. List Attachments																																	
Logs and Deviation Survey 31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief																																	
Signature		Printed. Name Tina Huerta		Title Regulatory Compliance Supervisor Date March 28, 2005																													
E-mail Address tinah@ypcnm.com																																	

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico			Northwestern New Mexico	
T. Anhy	T. Canyon		T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	10104'	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	10828'	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Mississippian		T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian		T. Menefee	T. Madison
T. Queen	T. Siluro-Devonian		T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya		T. Mancos	T. McCracken
T. San Andres	T. Simpson		T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee		Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger		T. Dakota	
T. Blinebry	T. Gr. Wash		T. Morrison	
T. Tubb	T. Capitan	1490'	T. Todilto	
T. Drinkard	T. Delaware	2223'	T. Entrada	
T. Abo	T. Bone Spring	4468'	T. Wingate	
T. Wolfcamp 8672'	T. 3 rd Bone Spring	8248'	T. Chinle	
T. Wolfcamp B Zone	T. Morrow	11214'	T. Permian	
T. Cisco	Lower Morrow	11483'	T. Penn "A"	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....

No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

Yates Petroleum Corporation
Lake Shore XH Federal Com #2
Section 11-T21S-R26E
Eddy County, New Mexico

Form C-105 continued:

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

<u>Depth Interval</u>	<u>Amount and Kind Material Used</u>
11,576'-11,582'	Acidize w/500g 7-1/2% MSA
11,576'-11,582'	Frac w/65% Binary foam carrying 60,000# Carboprop 20/40 sand
11,482'-11,524'	Acidize w/2500g 7-1/2% MSA
11,438'-11,524'	Acidize w/3500g 7-1/2% MSA + balls
11,308'-11,388'	Acidize w/2500g 7-1/2% MSA + balls
11,308'-11,388'	Frac w/40# CMHPG + 100,000# 20/40 Carbolite prop