

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. NMLC028978B

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement-Name and No.

8. Lease Name and Well No. BENSON DEEP AAS FEDERAL COM 2H

9. API Well No. 30-015-41247

10. Field and Pool, or Exploratory LEO; BONE SPRING, SOUTH

11. Sec., T., R., M., or Block and Survey or Area Sec 33 T18S R30E Mer

12. County or Parish EDDY 13. State NM

14. Date Spudded 12/04/2013 15. Date T.D. Reached 01/03/2014 16. Date Completed D & A Ready to Prod. 03/13/2014 17. Elevations (DF, KB, RT, GL)* 3425 GL

18. Total Depth: MD 12748 19. Plug Back To MD 2697 20. Depth Bridge Plug Set MD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) CNL, HI-RES, LATEROLOG ARRAY, CBL

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit analysis)
Directional Survey? No 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 26. Perforation Record

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

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 4,768,156 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	Tbg. 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	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	SI		→						



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.

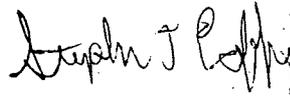
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath N2N2 of sec. 33, T. 18 S., R. 30 E., NMPM, and is effective 3/1/14. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal 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". The signature is written in a cursive style with a large initial "S".

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

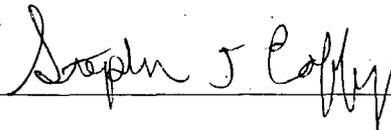
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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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