

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 ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other  
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.  
Other \_\_\_\_\_

2. Name of Operator YATES PETROLEUM CORPORATION Contact: TINA HUERTA  
Email: tinah@yatespetroleum.com

3. Address 105 SOUTH FOURTH STREET  
ARTESIA, NM 88210 3a. Phone No. (include area code)  
Ph: 575-484-1688

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
At surface NENE 480FNL 100FEL  
At top prod interval reported below NENE 480FNL 100FEL  
At total depth NWNW 488FNL 366FWL

5. Lease Serial No NMNM106909

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.  
LECHUZA BQC FEDERAL 1H

9. API Well No.  
30-015-38522-00-S1

10. Field and Pool, or Exploratory  
HAY HOLLOW

11. Sec., T., R., M., or Block and Survey  
or Area Sec 35 T26S R28E Mer NMP

12. County or Parish  
EDDY

13. State  
NM

14. Date Spudded  
08/08/2011

15. Date T.D. Reached  
09/07/2011

16. Date Completed  
☐ D & A ☒ Ready to Prod.  
01/22/2012

17. Elevations (DF, KB, RT, GL)\*  
2996 GL

18. Total Depth: MD 11732  
TVD

19. Plug Back T.D.: MD 11633  
TVD

20. Depth Bridge Plug Set: MD  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
HI-RESLATEROLOG GAMMARAY CBL CNL HI-RESLATEROLOG GAMMARAY 26.000

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        | 90          |                      |                             |                   | 0           |               |
| 17.500    | 13 375 H40 | 48.0       | 0        | 360         |                      | 440                         |                   | 0           |               |
| 12.250    | 9.625 K55  | 36.0       | 0        | 2664        |                      | 910                         |                   | 0           |               |
| 8.750     | 5.500 L-80 | 20.0       | 0        | 11720       | 5944                 | 2010                        |                   | 2100        |               |
|           |            |            |          |             |                      |                             |                   |             |               |
|           |            |            |          |             |                      |                             |                   |             |               |

## 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 | 6495           |                   |      |                |                   |      |                |                   |

## 25. Producing Intervals

| Formation      | Top  | Bottom | Perforated Interval | Size | No. Holes | Perf Status |
|----------------|------|--------|---------------------|------|-----------|-------------|
| A) BONE SPRING | 7255 | 11287  | 7255 TO 7255        |      | 6         | Open        |
| B)             |      |        | 7367 TO 7367        |      | 6         | Open        |
| C)             |      |        | 7479 TO 7479        |      | 6         | Open        |
| D)             |      |        | 7591 TO 7591        |      | 6         | Open        |

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

| Depth Interval | Amount and Type of Material                                      |
|----------------|------------------------------------------------------------------|
| 7255 TO 7591   | gal 15% HCL                                                      |
| 7255 TO 7591   | bbbls fluid, 85593# 40/70 WS, 162972# 30/50 WS, 94019# 20/40 RCS |
| 7703 TO 8039   | bbbls fluid, 74084# 40/70 WS, 147524# 30/50 WS, 79940# 20/40 RCS |
| 7703 TO 8039   | gal 15% HCL                                                      |

## 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 |
|---------------------|------------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-------------------|
| 01/23/2012          | 01/24/2012       | 24           | →               | 67.0    | 2000.0  | 4016.0    |                      |             |                   |
| Choke Size          | Tbg. Press. Flwg | Csg. Press   | 24 Hr Rate      | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio        | Well Status |                   |
| SI                  | 1900             | 1000.0       | →               | 67      | 2000    | 4016      |                      | 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 |
|---------------------|------------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-------------------|
| 01/23/2012          | 01/24/2012       | 24           | →               | 67.0    | 2000.0  | 4016.0    |                      |             |                   |
| Choke Size          | Tbg. Press. Flwg | Csg. Press   | 24 Hr Rate      | Oil BBL | Gas MCF | Water BBL | Gas Oil Ratio        | Well Status |                   |
| SI                  | 1900             | 1000.0       | →               | 67      | 2000    | 4016      |                      | POW         |                   |

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

ELECTRONIC SUBMISSION #129753 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

## 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 )  
FLARED

## 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<br>Meas Depth |
|---------------|------|--------|------------------------------|---------------|-------------------|
| BASE OF SALT  | 2452 | 2639   |                              | BASE OF SALT  | 2452              |
| DELAWARE      | 2640 | 3503   |                              | DELAWARE      | 2640              |
| CHERRY CANYON | 3504 | 4845   |                              | CHERRY CANYON | 3504              |
| BRUSHY CANYON | 4846 | 6340   |                              | BRUSHY CANYON | 4846              |
| BONE SPRING   | 6341 | 11732  |                              | BONE SPRING   | 6341              |

## 32. Additional remarks (include plugging procedure)

SEE ATTACHED DOCUMENT

## 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 #129753 Verified by the BLM Well Information System.

For YATES PETROLEUM CORPORATION, sent to the Carlsbad

Committed to AFMSS for processing by JAMES (JIM) HUGHES on 02/02/2012 (12JLH0386SE)

Name (please print) TINA HUERTA

Title REG COMPLIANCE SUPERVISOR

Signature (Electronic Submission)

Date 01/31/2012

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

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**Additional data for transaction #120753 that would not fit on the form**

**26. Perforation Record, continued**

| Perf Interval  | Size | No. Holes | Perf Status |
|----------------|------|-----------|-------------|
| 7703 TO 7703   |      | 6         | Open        |
| 7815 TO 7815   |      | 6         | Open        |
| 7927 TO 7927   |      | 6         | Open        |
| 8039 TO 8039   |      | 6         | Open        |
| 8151 TO 8151   |      | 6         | Open        |
| 8263 TO 8263   |      | 6         | Open        |
| 8375 TO 8375   |      | 6         | Open        |
| 8487 TO 8487   |      | 6         | Open        |
| 8599 TO 8599   |      | 6         | Open        |
| 8711 TO 8711   |      | 6         | Open        |
| 8823 TO 8823   |      | 6         | Open        |
| 8935 TO 8935   |      | 6         | Open        |
| 9047 TO 9047   |      | 6         | Open        |
| 9159 TO 9159   |      | 6         | Open        |
| 9271 TO 9271   |      | 6         | Open        |
| 9383 TO 9383   |      | 6         | Open        |
| 9495 TO 9495   |      | 6         | Open        |
| 9607 TO 9607   |      | 6         | Open        |
| 9719 TO 9719   |      | 6         | Open        |
| 9831 TO 9831   |      | 6         | Open        |
| 9943 TO 9943   |      | 6         | Open        |
| 10055 TO 10055 |      | 6         | Open        |
| 10167 TO 10167 |      | 6         | Open        |
| 10279 TO 10279 |      | 6         | Open        |
| 10391 TO 10391 |      | 6         | Open        |
| 10503 TO 10503 |      | 6         | Open        |

**27. Acid, Fracture, Treatment, Cement Squeeze, etc., continued**

| Depth Interval | Amount and Type of Material                                      |
|----------------|------------------------------------------------------------------|
| 8151 TO 8487   | bbls fluid, 70666# 40/70 WS, 130361# 30/50 WS, 94683# 20/40 RCS  |
| 8151 TO 8487   | gal 15% HCL                                                      |
| 8599 TO 8935   | bbls fluid, 74637# 40/70 WS, 137950# 30/50 WS, 92232# 20/40 RCS  |
| 8599 TO 8935   | gal 15% HCL                                                      |
| 9047 TO 9383   | bbls fluid, 67625# 40/70 WS, 145992# 30/50 WS, 83353# 20/40 RCS  |
| 9047 TO 9383   | gal 15% HCL                                                      |
| 9498 TO 9831   | gal 7.5% HCL                                                     |
| 9498 TO 9831   | bbls fluid, 69600# 40/70 WS, 147702# 30/50 WS, 97836# 20/40 RCS  |
| 9943 TO 10279  | bbls fluid, 75185# 40/70 WS, 140741# 30/50 WS, 95272# 20/40 RCS  |
| 9943 TO 10279  | gal 7.5% HCL                                                     |
| 10391 TO 10727 | gal 7.5% HCL                                                     |
| 10391 TO 10727 | # 40/70 WS, Over flushed sand w/ 100 bbls fluid                  |
| 10391 TO 10727 | bbls fluid, 74708# 40/70 WS, 136627# 30/50 WS, 6754# 20/40 RCS   |
| 10839 TO 11175 | bbls fluid, 79884# 40/70 WS, 148952# 30/50 WS, 100543# 20/40 RCS |
| 10839 TO 11175 | gal 7.5% HCL acid                                                |
| 11287 TO 11623 | gal 7.5% HCL acid                                                |