

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

Form C-105
 Revised June 10, 2003

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-015-33061

5. Indicate Type of Lease

STATE FEE

State Oil & Gas Lease No.
 VA-1884

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion:

NEW WORK DEEPEN PLUG DIFF. RECOMPLETION
 WELL OVER BACK RESVR DHC-3340

7. Lease Name or Unit Agreement Name

Cigar BCM State Com

2. Name of Operator
 Yates Petroleum Corporation

RECEIVED

8. Well No.
 2

3. Address of Operator
 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471

JUL 18 2006

9. Pool name or Wildcat
 Loving; Atoka, Southeast

4. Well Location

Unit Letter P : 660 Feet From The South Line and 660 Feet From The East Line

Section 36 Township 23S Range 27E NMPM Eddy County

10. Date Spudded RC 5/3/06 11. Date T.D. Reached 1/7/04 12. Date Compl. (Ready to Prod.) 7/12/06 13. Elevations (DF& RKB, RT, GR, etc.) 3110'GR 3148'KB 14. Elev. Casinghead

15. Total Depth 12,900' 16. Plug Back T.D. 12,320' 17. If Multiple Compl. How Many Zones? _____ 18. Intervals Drilled By _____ Rotary Tools _____ Cable Tools _____
 Pulling Unit

19. Producing Interval(s), of this completion - Top, Bottom, Name
11,502' - 11,972' Atoka

20. Was Directional Survey Made
No

21. Type Electric and Other Logs Run
Sector Bond Gamma Ray/CCL

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

REFER TO ORIGINAL COMPLETION

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
<u>2-7/8"</u>	<u>11,402'</u>	<u>11,402'</u>

26. Perforation record (interval, size, and number)
12,036'-12,048' (72) 11,704'-11,726' (45)
12,076'-12,086' (61) 11,888'-11,896' (17)
12,150'-12,164' (85) 11,966'-11,972' (37)
12,288'-12,298' (61) 10,466'-10,480'
11,502'-11,508' (13) 10,502'-10,514'

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED

SEE ATTACHED SHEET

28. PRODUCTION

Date First Production 7/13/06 Production Method (*Flowing, gas lift, pumping - Size and type pump*) Flowing Well Status (*Prod. or Shut-in*) Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
<u>6/3/06</u>	<u>24 hrs</u>	<u>3/8"</u>		<u>0</u>	<u>248</u>	<u>0</u>	<u>NA</u>

Flow Tubing Press.	Casing Pressure Packer	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
<u>60 psi</u>			<u>0</u>	<u>248</u>	<u>0</u>	<u>NA</u>

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*)

Sold

Test Witnessed By

T. Richardson

30. List Attachments

Sector Bond Gamma Ray/CCL

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 Tina Huerta Printed. Name Tina Huerta Title Regulatory Compliance Supervisor Date July 14, 2006

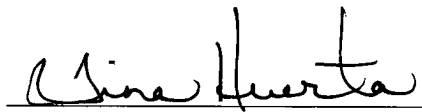
E-mail Address tinah@ypcnm.com

Yates Petroleum Corporation
Cigar BCM State Com #2
Section 36-T23S-R27E
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>
12,036'-12,298'	Acidize with 2500g 7-1/2% MSA and 1000 scf/bbl N2
12,036'-12,298'	Frac with 40# CMHPG gelled 7% KCL water, 60% CO2 + 50,000# Versaprop 20/40 sand
11,888'-11,896'	Acidize with 1000g 15% MSA acid
11,704'-11,726'	Acidize with 1000g 15% MSA acid
11,570'-11,600'	Acidize with 2000g 15% MSA acid
11,502'-11,508'	Acidize with 1000g 7-1/2% MSA acid
11,966'-11,972'	Acidize with 1000g 7-1/2% MSA acid
10,466'-10,514'	Acidize with 2500g 15% MSA acid



Regulatory Compliance Supervisor

July 14, 2006

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	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	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. Delaware Sand	T. Todilto	
T. Drinkard	Rustler	T. Entrada	
T. Abo	Bone Spring	T. Wingate	
T. Wolfcamp	Morrow	T. Chinle	
T. Wolfcamp B Zone	Lower Morrow	T. Permian	
T. Cisco	Upper Penn	T. Penn "A"	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, 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	From	To	Thickness In Feet	Lithology
			REFER TO ORIGINAL COMPLETION				