

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|---|--|---|
| ¹ Operator name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 | | ² OGRID Number 025575 |
| | | ³ Reason for Filing Code/ Effective Date NW |
| ⁴ API Number 30 – 015 - 37211 | ⁵ Pool Name Penasco Draw; San Andres, Yeso | ⁶ Pool Code 50270 |
| ⁷ Property Code 12237 | ⁸ Property Name Federal AB | ⁹ Well Number 13H |

II. ¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------|
| Ul or lot no. N | Section 32 | Township 18S | Range 25E | Lot Idn | Feet from the 330 | North/South Line South | Feet from the 1650 | East/West line West | County Eddy |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------|

¹¹ Bottom Hole Location

| | | | | | | | | | |
|-----------------------------|---|--|-----------------------------------|------------------------------------|-------------------------------------|---------------------------|-----------------------|------------------------|----------------|
| UL or lot no. K | Section 32 | Township 18S | Range 25E | Lot Idn | Feet from the 2025 | North/South line South | Feet from the 1681 | East/West line West | County Eddy |
| ¹² Lse Code F | ¹³ Producing Method Code P | ¹⁴ Gas Connection Date 10/17/11 | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |

III. Oil and Gas Transporters

| | | |
|------------------------------------|---|---------------------|
| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ O/G/W |
| 016696 | Occidental Energy Trans LLC 5 Greenway Plaza, Suite 110 Houston, TX 77046 | O |
| 147831 | Agave Energy Company 105 South Fourth Street Artesia, NM 88210 | G |
| | | |
| | | |
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| | | |

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IV. Well Completion Data

| | | | | | |
|--|--------------------------------------|---------------------------|-----------------------------|---|-----------------------|
| ²¹ Spud Date RH 7/31/11 RT 8/3/11 | ²² Ready Date 10/16/11 | ²³ TD 4286' | ²⁴ PBSD 4213' | ²⁵ Perforations 2904'-4211' Ports | ²⁶ DHC, MC |
| ²⁷ Hole Size | ²⁸ Casing & Tubing Size | ²⁹ Depth Set | ³⁰ Sacks Cement | | |
| | 20" | 80' | 8 yds redi-mix to surface | | |
| 14-3/4" | 9-5/8" | 1125' | 1558 sx (circ) | | |
| 8-3/4" | 7" | 2834' | 450 sx (circ) | | |
| 6-1/8" | 4-1/2" | 4286' | | | |
| | | | | | |

V. Well Test Data

| | | | | | |
|--|---|-------------------------------------|-------------------------------------|--|--|
| ³¹ Date New Oil 10/18/11 | ³² Gas Delivery Date 10/17/11 | ³³ Test Date 10/18/11 | ³⁴ Test Length 24 hrs | ³⁵ Tbg. Pressure 300 psi | ³⁶ Csg. Pressure 245 psi |
| ³⁷ Choke Size NA | ³⁸ Oil 36 | ³⁹ Water 466 | ⁴⁰ Gas 290 | | ⁴¹ Test Method Pump Test |

| | | | |
|--|------------------------|-----------------------------------|--|
| ⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: Tina Huerta | | OIL CONSERVATION DIVISION | |
| Printed name: Tina Huerta | | Approved by: <i>T. C. Shepard</i> | |
| Title: Regulatory Compliance Supervisor | | Title: Geologist | |
| E-mail Address: tinah@yatespetroleum.com | | Approval Date: NOV 07 2011 | |
| Date: October 24, 2011 | Phone: 575-748-4168 | | |

COH

Operator: Yates Well Name: Federal Ab #13H

OGRID: 25575 API: 30-0 15-37211 Lease Type (F) S P

Date C104 rec'd 10/25/2011 C-104 filed for NV RT PB RE DHC Other
Date of file review ~~11/02/2011~~ 11/16/11

Inactive Well List 2 out of 2359
Additional Bonding: OK

APD Approval Date 08/04/2009

→ Pit Permit Approval / / Permit # Pit Closure: / /

Spud notice ✓ 07/31/2011

Casing:

| | | |
|--------------|--------------|-----------------------------|
| Surface | <u>8.625</u> | amended required <u> </u> |
| Intermediate | <u>7</u> | amended required <u> </u> |
| Production | <u>4.5</u> | amended required <u> </u> |

TD Reached: 8 / 24 / 11

Rig Released: / /

Deviation Survey: 1.44' @ 2036' TD @

Standard or Directional Survey 10/25/2011 MD 42816 TVD 2585'

"As Drilled" or Amended C-102 ✓

BHL: UL K S 32 T 185 R 25E Footages 2025 FNL/ ESL 1681 FWL/FEL (F)

Completion Sundry: 11/3/11

Completion Report: 11/3/11

Logs NO LOGS RAN ✓

COMPLIANCE: NSL NSP
DHC ART

OTHER REQUIREMENTS:

Inactive Well List //
Additional Bonding

Date to TCS / RD for approval 11/16/11

Reviewed by: dm

DENIED / /