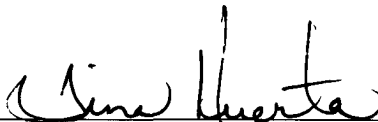


Submit To Appropriate District Office State Lease - 5 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico 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. 30-015-23751 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. L-4682
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <u>SWD</u> b. Type of Completion: NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> RE-ENTRY WELL OVER BACK RESVR. SWD-1027-A		7. Lease Name or Unit Agreement Name Cordova SWD <div style="border: 2px solid black; border-radius: 50%; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 10px auto;"> Month - Year APR - 5 2007 OCD - ARTESIA, NM </div>
2. Name of Operator Yates Petroleum Corporation 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471		8. Well No. 1 9. Pool name or Wildcat SWD; Delaware
4. Well Location Unit Letter <u>E</u> : <u>2005</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>25</u> Township <u>24S</u> Range <u>27E</u> NMPM <u>Eddy</u> County		
10. Date Spudded RE 8/18/06	11. Date T.D. Reached 4/28/81	12. Date Compl. (Ready to Prod.) 4/3/07
13. Elevations (DF& RKB, RT, GR, etc.) 3143'GR		14. Elev. Casinghead
15. Total Depth 5500'	16. Plug Back T.D. 5435'	17. If Multiple Compl. How Many Zones?
18. Intervals Drilled By Pulling Unit		19. Producing Interval(s), of this completion - Top, Bottom, Name 3294'-5074' Delaware Injection Zone
20. Was Directional Survey Made No		21. Type Electric and Other Logs Run None
22. Was Well Cored No		23. CASING RECORD (Report all strings set in well)
CASING SIZE	WEIGHT LB./FT.	DEPTH SET
8-5/8"	24#	500'
5-1/2"	14#	5497'
24. LINER RECORD		
SIZE	TOP	BOTTOM
25. TUBING RECORD		
SIZE	DEPTH SET	PACKER SET
2-7/8"	3247'	3247'
26. Perforation record (interval, size, and number)		
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED <div style="text-align: center; background-color: black; color: white; padding: 5px;"> SEE ATTACHED SHEET </div>		
28. PRODUCTION		
Date First Production	Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>)	
Well Status (<i>Prod. or Shut-in</i>) SWD		
Date of Test	Hours Tested	Choke Size
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate
Oil - Bbl		Gas - MCF
Water - Bbl.		Gas - Oil Ratio
29. Disposition of Gas (<i>Sold, used for fuel, vented, etc.</i>)		
30. List Attachments None		
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 <u><i>Tina Huerta</i></u> Printed. Name <u>Tina Huerta</u> Title <u>Regulatory Compliance Supervisor</u> Date <u>April 4, 2007</u> E-mail Address <u>tinah@ypcnm.com</u>		

Form C-105 continued:

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

<u>Depth Interval</u>	<u>Amount and Kind Material Used</u>
4956'-5074'	Acidize w/2500g 7-1/2% IC HCL w/nonionic surfactant package and IC for 10,000 ppm FE. Drop 90 1.3 SG ball sealers spaced out evenly throughout acid.
3800'-4152'	Acidize w/2500g 7-1/2% IC HCL w/nonionic surfactant package and IC for 10,000 ppm FE. Drop 160 1.3 SG ball sealers spaced out evenly throughout acid.
3473'-3546'	Acidize w/1500g 7-1/2% IC HCL w/nonionic surfactant package and IC for 10,000 ppm FE. Drop 15 1.3 SG ball sealers spaced out evenly throughout acid.
3294'-3298'	Acidize w/1000g 7-1/2% IC HCL w/nonionic surfactant package and IC for 10,000 ppm FE. Drop 15 1.3 SG ball sealers spaced out evenly throughout acid.
3294'-5074'	Acidize w/1000g 7-1/2% IC HCL w/nonionic surfactant package and IC for 10,000 ppm FE. Drop 15 1.3 SG ball sealers spaced out evenly throughout acid.
3294'-5074'	Frac w/37,500g Silverstim LT and 76,000# 16/30 Brady sand


Regulatory Compliance Supervisor
April 4, 2007





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

*Field Inspection Program
"Preserve the Integrity of Our Environment"*

21-Mar-07

RECEIVED

MAR 30 2007

MAIL ROOM

YATES PETROLEUM CORPORATION

105 S 4TH ST

ARTESIA NM 88210

LOV NO. 028107

LETTER OF VIOLATION - Inspection

Dear Operator:

*Completed
4-5-07
MTT*

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

CORDOVA SWD No.001		<i>Completion hand delivered 4-5-07 by Tina H.</i>		E-25-24S-27E	30-015-23751-00-00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
03/21/2007	File and Compliance Review	Gerry Guye	Yes	No	4/6/2007 iGEG0708041947
Comments on Inspection:		No well completion form for re-entry (Form C-105) submitted after conversion to SWD as required by Rule 19.15.13.1105.			
OHKAY SWD No.003		<i>Completion mailed 3-29-07</i>		N-6-25S-30E	30-015-35164-00-00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
03/21/2007	File and Compliance Review	Gerry Guye	Yes	No	4/6/2007 iGEG0708042675
Comments on Inspection:		No well completion form for re-entry (Form C-105) submitted after conversion to SWD as required by Rule 19.15.13.1105.			

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.