

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 Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-32529 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. VA-1935
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR.			7. Lease Name or Unit Agreement Name Palo Duro BCO State Com		
2. Name of Operator Yates Petroleum Corporation			8. Well No. 1		
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471			9. Pool name or Wildcat Black River Morrow		
4. Well Location Unit Letter <u>I</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>35</u> Township <u>23S</u> Range <u>27E</u> NMPM <u>Eddy</u> County					
10. Date Spudded 3/10/03	11. Date T.D. Reached 4/21/03	12. Date Compl. (Ready to Prod.) 9/16/03	13. Elevations (DF& RKB, RT, GR, etc.) 3142'GR 3158'KB		14. Elev. Casinghead
15. Total Depth 12,820'	16. Plug Back T.D. 12,775'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools 40'-12,820'	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 12,386'-12,654' Morrow				20. Was Directional Survey Made No	
21. Type Electric and Other Logs Run Density/Neutron, High Resolution Laterolog				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
20"	Conductor	40'			
13-3/8"	48#	520'	17-1/2"	550 sx (circ)	
9-5/8"	36#	2340'	12-1/4"	1235 sx (circ)	
7"	26#	10,505'	8-3/4"	1500 sx	(TOC 10,000 Est.)
4-1/2"	11.6#	12,820'	6-1/8"	235 sx	(TOC 9290' CBL)
24. LINER RECORD			25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE
					2-3/8"
					12,330'
					12,330'
26. Perforation record (interval, size, and number) 12,594'-12,600' (42) 12,386'-12,390' (25) 12,622'-12,628' (42) 12,440'-12,446' (37) 12,630'-12,638' (54) 12,514'-12,518' (25) 12,646'-12,654' (54)			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED <div style="text-align: center; border: 1px solid black; padding: 5px;">See Attached Sheet</div>		
28. PRODUCTION					
Date First Production 9/17/03		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Producing	
Date of Test 9/26/03	Hours Tested 24 hrs	Choke Size 20/64"	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 1009
				Water - Bbl. 106	Gas - Oil Ratio NA
Flow Tubing Press. 660 psi	Casing Pressure Packer	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 1009	Water - Bbl. 106
				Oil Gravity - API - (Corr.) NA	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold					Test Witnessed By Bobby Matheny
30. List Attachments Logs and Deviation Survey					
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>Tina Huerta</u>		Printed Name <u>Tina Huerta</u>		Title <u>Regulatory Compliance Supervisor</u> Date <u>October 13, 2003</u>	
E-mail Address <u>tinah@ypcnm.com</u>					

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 520'	T. Strawn 11,194'	T. Kirtland-Fruitland	T. Penn. "C
B. Salt	T. Atoka 11,370'	T. Pictured Cliffs	T. Penn. "D
T. Yates	T. Miss 12,770'	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	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
T. Blinebry	T. Gr. Wash	T. Morrison	T
T. Tubb	T. Delaware Sand 2310'	T. Todilto	T
T. Drinkard	T. Bone Springs 5856'	T. Entrada	T
T. Abo	T. Morrow 12,126'	T. Wingate	T
T. Wolfcamp 9186'	L. Morrow 12,510'	T. Chinle	T
T. Penn	T	T. Permian	T
T. Cisco (Bough C	T	T. Penn "A	T

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 2, from.....to.....

No. 3, 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

Yates Petroleum Corporation
Palo Duro BCO State Com #1
Section 35-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>
12,594'-12,654'	Acidize w/4000g 7-1/2% MSA and 85 Ball Sealers Frac w/70Q foam, 440 bbls total fluid, 500 sx 18/40 Versa Prop 167 tons CO2, total foam volume 62,759g
12,386'-12,518'	Frac w/40# 70% Binary foam frac w/364 bbls total fluid, 31,760# 18/40 VersaProp, total CO2 25 tons

OPERATOR: YATES PETROLEUM CORP.
WELL/LEASE: PALO DURO BCO ST. COM. 1
COUNTY: EDDY

514-0068

STATE OF NEW MEXICO
DEVIATION REPORT

262	1/2	8,269	1 1/2
520	3/4	8,524	1 1/4
773	3/4	8,782	1 1/4
1,021	1	9,041	1 3/4
1,276	1	9,167	1 1/2
1,530	1 3/4	9,326	1
1,656	2	9,615	1
1,783	2 3/4	9,874	3/4
1,877	2	10,269	1
2,004	2 1/4	10,522	1 1/4
2,100	2 1/4	10,858	3/4
2,195	1 1/2	11,123	1/4
2,340	1 3/4	11,550	3/4
2,615	1 1/2	11,943	3/4
3,029	1	12,353	1
3,506	3/4	12,820	1/4
4,006	1 1/4		
4,485	1		
4,964	1		
5,445	1/4		
5,953	1/2		
6,459	2 1/2		
6,587	1 1/2		
6,713	1 1/2		
6,841	1		
7,031	3/4		
7,318	1 1/4		
7,541	1		
8,015	1 1/2		



By: Steve Moore

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 24th day of April, 2003, by Steve Moore on behalf of Patterson-UTi Drilling Company LP, LLLP.

Joni D. Hodges
Notary Public for Midland County, Texas

My Commission Expires: 4/08/2007

