

## Results of Directional Survey

API number:	<b>30-005-29095</b>		
OGRID:		Operator:	<b>YATES PETROLEUM CORPORATION</b>
		Property:	<b>VESPA BME FEDERAL</b> # 1H

surface	ULSTR:	I	12	T	15S	R	31E
				2500	FSL	200	FEL

BH Loc	ULSTR:	L	12	T	15S	R	31E
13591	MD	8844.5	TVD	2232	FSL	4952	FEL
						328	FWL

Top Perf/OH	ULSTR:	I	12	T	15S	R	31E
9195	MD	8944.4	TVD	2293	FSL	603	FEL

Bot Perf/OH	ULSTR:	L	12	T	15S	R	31E
13576	MD	8844.8	TVD	2232	FSL	4937	FEL
						343	FWL

	MD	N/S	E/W	VD
	9163	-193.87	-374.02	8939.24
TOP PERFS/OH	9195	-206.73	-402.85	8944.39
	9195	-206.73	-402.85	8944.39
	13483	-271.67	-4643.85	8847.00
BOT PERFS/OH	13576	-268.25	-4736.75	8844.82
	13541	-269.54	-4701.79	8845.64

NEXT TO LAST	13483	-271.67	-4643.85	8847.00
LAST READING	13541	-269.54	-4701.79	8845.64
TD	13591	-267.70	-4751.74	8844.47

Surface Location	2500	FS	200	FE
Projected BHL	2232	FS	4952	FE
Location of				
Top Perfs/OH	2293	FS	603	FE
Bottom Perfs/OH	2232	FS	4937	FE

### SUMMARY of Subsurface Locations

Surface Location	I-12-15S-31E	2500	FS	200	FE	Vert. Depth
Top Perfs/OH	I-12-15S-31E	2293	FS	603	FE	8944.39
Bottom Perfs/OH	L-12-15S-31E	2232	FS	4937	FE	8844.82
Projected TD	L-12-15S-31E	2232	FS	4952	FE	8844.47

OPERATOR'S COPY **HOBBS OCD**

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JUL 29 2011

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

**RECEIVED**

5. Lease Serial No.  
NM-105886  
6. If Indian, Aliottee or Tribe Name  
NA

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

7. If Unit or CA/Agreement, Name and/or No.  
NA

2. Name of Operator  
Yates Petroleum Corporation

8. Well Name and No.

Vespa BME Federal #1H

3a. Address  
105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)  
575-748-1471

9. API Well No.  
30-005-29095

4. Location of Well (Footage, Sec., T., R., M., OR Survey Description)

Surface - 2500'FSL & 200'FEL of Section 12-T15S-R31E (Unit I, NESE)  
BHL - 2280'FSL & 330'FWL of Section 12-T15S-R31E (Unit L, NWSW)

10. Field and Pool or Exploratory Area  
Wildcat; Abo-Wolfcamp

11. County or Parish, State  
Chaves County, New Mexico

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recombine	<input checked="" type="checkbox"/> Other <u>Production</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Liner</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

3/17/11 Continued to drill directionally.  
3/27/11 Reached TD 6-1/8" hole to 13,591' at 11:05 AM.  
3/29/11 Set 4-1/2" 11.6# HCP-110 LT&C liner at 13,581'. Peak Hanger at 8212', TOL. Peak Strata-port treating sleeves at 9195', 9527', 9821', 10,155', 10,447', 10,778', 11,027', 11,237', 11,687', 12,019', 12,313', 12,644', 12,939', 13,272' and Hydro Port sleeve at 13,576'. Peak open hole isolation packers at 9024', 9356', 9650', 9983', 10,277', 10,608', 10,897', 11,148', 11,438', 11,849', 12,141', 12,513', 12,768', 13,062' and 13,432'.  
3/30/11 Rig released.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta		Title Regulatory Compliance Supervisor	
Signature <i>Tina Huerta</i>		Date May 25, 2011	
<b>ACCEPTED FOR RECORDS</b>			
Approved by <i>David P. Elmer</i>		Title	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <i>KE</i>	
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			
(Instructions on page 2) <b>PETROLEUM ENGINEER</b>			

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY  
HOBBS OCD

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NA

7. If Unit or CA/Agreement, Name and/or No.

NA

8. Well Name and No.

Vespa BME Federal #1H

9. API Well No.

30-005-29095

10. Field and Pool or Exploratory Area

Medlin Ranch; Abo-Wolfcamp, West

11. County or Parish, State

Chaves County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

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TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☒ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Completion

Operations

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4/21/11 MIRU. Loaded casing and took 164 bbls to load casing. Pressured casing to 4491 psi. Hydro port opened up. Pumped 50 bbls at 4.8 BPM, avg press 4611 psi, ISDP 3981 psi, 15 min 1120 psi.

4/25/11 Frac stage 1 using 20# borate x-linked gel, total prop 91,277# 20/40 Jordan, dropped 2.125" ball, saw ball hit. Opened port 13,272'. Frac stage 2 with 20# borate x-linked gel, total prop 100,934# 20/40 Jordan, dropped 2.250" ball, saw ball hit. Opened port 12,939'. Frac stage 3 with 20# borate x-linked gel, total prop 98,355# 20/40 Jordan, dropped 2.375" ball, saw ball hit. Opened port 12,644'. Frac stage 4 with 20# borate x-linked gel, total prop 98,836# 20/40 Jordan, dropped 2.500" ball, saw ball hit. Opened port 12,313'. Frac stage 5 with 20# borate x-linked gel, total prop 108,667# 20/40 Jordan, dropped 2.625" ball, saw ball hit. Opened port 12,019'. Frac stage 6 with 20# borate x-linked gel, total prop 96,696# 20/40 Jordan, dropped 2.750" ball, saw ball hit. Opened port 11,687'.

CONTINUED ON NEXT PAGE:

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title Regulatory Compliance Supervisor

Signature

Date May 27, 2011

ACCEPTED FOR RECORD

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

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

(Instructions on page 2) PETROLEUM ENGINEER

HOBBS OCD

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Yates Petroleum Corporation  
Vespa BME Federal #1H  
Section 12-T15S-R31E  
Chaves County, New Mexico  
Page 2

Form 3160-5 continued:

- 4/26/11     Frac stage 7 with 20# borate x-linked gel, total prop 91,900# 20/40 Jordan, dropped 2.875" ball, saw ball hit. Opened port 11,237'. Frac stage 8 with 20# borate x-linked gel, total prop 108,648# 20/40 Jordan, dropped 3.00" ball, saw ball hit. Opened port 11,027'. Frac stage 9 with 20# borate x-linked gel, total prop 94,447# 20/40 Jordan, dropped 3.125" ball, saw ball hit. Opened port 10,778'. Frac stage 10 with 20# borate x-linked gel, total prop 102,695# 20/40 Jordan, dropped 3.250" ball, saw ball hit. Opened port 10,447'. Frac stage 11 with 20# borate x-linked gel, dropped 3.375" ball, saw ball hit. Opened port 10,155'. Frac stage 12 with 20# borate x-linked gel, total prop 104,741# 20/40 Jordan, dropped 3.5" ball, saw ball hit. Opened port 9821'. Frac stage 13 with 20# borate x-linked gel, total prop 94,174# 20/40 Jordan, dropped 3.625" ball, saw ball hit. Opened port 9527'. Frac stage 14 with 20# borate x-linked gel, total prop 94,714# 20/40 Jordan, dropped 3.750" ball, saw ball hit. Opened port 9195'. Frac stage 15 with 20# borate x-linked gel, total prop 114,279# 20/40 Jordan.
- 4/27/11     Cleaned out all treating sleeve ports. 2-7/8" tubing at 8152'.
- 5/22/11     Date of 1st production - Abo-Wolfcamp

  
Regulatory Compliance Supervisor  
May 27, 2011

