

Submit To Appropriate District Office State Lease - 6 copies Free 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. 30-025-37979 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No. VA-1944
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG	
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <u>CONFIDENTIAL</u> 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. 2. Name of Operator Yates Petroleum Corporation 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471 4. Well Location Unit Letter <u>J</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>1650</u> Feet From The <u>East</u> Line Section <u>14</u> Township <u>10S</u> Range <u>34E</u> NMPM <u>Lea</u> County	7. Lease Name or Unit Agreement Name Merle State Unit 8. Well No. 7 9. Pool name or Wildcat Lane; Abo, Southeast

10. Date Spudded 9-23-06 RH 9-29-06 RT	11. Date T.D. Reached 10-29-06	12. Date Compl. (Ready to Prod.) 11-20-06	13. Elevations (DF& RKB, RT, GR, etc.) 4178' GR, 4195' KB	14. Elev. Casinghead
15. Total Depth 9314'	16. Plug Back T.D. 9269'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By 40-9314'	Rotary Tools Cable Tools N/A
19. Producing Interval(s), of this completion - Top, Bottom, Name 9024-9048' Abo				20. Was Directional Survey Made? No
21. Tyne Electric and Other Logs Run Laterolog, CNL, CBL			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'		200 sx	
11-3/4"	42#	430'	14-3/4"	345 sx (circ)	
8-5/8"	24#, 32#	4207'	11"	1280 sx (circ)	
5-1/2"	15.5#, 17#	9314'	7-7/8"	1500 sx (TOC @ 3850' CBL)	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	9109'	

26. Perforation record (interval, size, and number) 9024-30' (7) and 9033-48' (16) for total of 23 .40" holes	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:30%;">DEPTH INTERVAL</th> <th style="width:70%;">AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>9024-9048'</td> <td>3000 gal 15% NEFE acid w/30 balls</td> </tr> <tr> <td>9024-9048'</td> <td>Frac w/82600 gal 25% Lightning System w/175000# 20/40 D/sand</td> </tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table>	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	9024-9048'	3000 gal 15% NEFE acid w/30 balls	9024-9048'	Frac w/82600 gal 25% Lightning System w/175000# 20/40 D/sand						
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28. PRODUCTION							
Date First Production 11-27-06		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping			Well Status (Prod. or Shut-in) Producing		
Date of Test 11-26-06	Hours Tested 24	Choke Size 30/64"	Prod'n For Test Period	Oil - Bbl 209	Gas - MCF 201	Water - Bbl 73	Gas - Oil Ratio
Flow Tubing Press. 200#	Casing Pressure 100#	Calculated 24-Hour Rate	Oil - Bbl. 209	Gas - MCF 201	Water - Bbl. 73	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	Test Witnessed By Martel Ramirez
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30. List Attachments	
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Logs, Deviation Report	
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>Stormi Davis</u>	Printed Name: Stormi Davis Title: Regulatory Compliance Technician Date: 11-28-06
E-mail Address: stormid@ypcnm.com	

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 2810'	T. L. Miss	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 4079'	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta 5520'	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T
T. Blinebry	T. Gr. Wash	T. Morrison	T
T. Tubb 6982'	T. Delaware Sand	T. Todilto	T
T. Drinkard	T. Bone Springs	T. Entrada	T
T. Abo 7785'	T. Rustler 2174'	T. Wingate	T
T. Wolfcamp 9066'	T. Morrow	T. Chinle	T
T. Penn	T. Austin Cycle	T. Permian	T
T. Cisco (Bough C)	T. Chester Lm	T. Penn "A"	T

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