

| Submit To Appropriate District Office Two 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 July 17, 2008 | | | | | | | | | |
|---|--|---|------------------------|---|--|--|----------------|-------------------------------|-----------------|--|-----------------|--|-------------|--|
| | | HOBBES OGD MAY 02 2011 | | | 1. WELL API NO. 30-025-39753 | | | | | | | | | |
| | | | | | 2. Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN | | | | | | | | | |
| | | | | | 3. State Oil & Gas Lease No. V-6180 | | | | | | | | | |
| WELL COMPLETION REPORT AND LOG | | | | | | | | | | | | | | |
| 4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC) | | | | | 5. Lease Name or Unit Agreement Name Milsap BGV State | | | | | | | | | |
| | | | | | 6. Well Number: 3 | | | | | | | | | |
| 7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER | | | | | | | | | | | | | | |
| 8. Name of Operator Yates Petroleum Corporation | | | | 9. OGRID 025575 | | | | | | | | | | |
| 10. Address of Operator 105 South Fourth Street, Artesia, NM 88210 | | | | 11. Pool name or Wildcat Hightower, Upper Penn, East (Oil) <i>Kz</i> | | | | | | | | | | |
| 12. Location | Unit Ltr | Section | Township | Range | Lot | Feet from the | | | | | | | | |
| Surface: | K | 25 | 12S | 33E | | 1878 | | | | | | | | |
| BH: | | | | | | | | | | | | | | |
| 13. Date Spudded 12/27/10 | 14. Date T.D. Reached 3/20/11 | 15. Date Rig Released 2/26/11 | | 16. Date Completed (Ready to Produce) 4/23/11 | | 17. Elevations (DF and RKB, RT, GR, etc.) 4231'GR 4250'KB | | | | | | | | |
| 18. Total Measured Depth of Well 12,849' | | 19. Plug Back Measured Depth 10,130' | | 20. Was Directional Survey Made? No | | 21. Type Electric and Other Logs Run CNL, Hi-Res Laterolog, Borehole Compensated Sonic, CBL | | | | | | | | |
| 22. Producing Interval(s), of this completion - Top, Bottom, Name 9824'-9988' Upper Penn | | | | | | | | | | | | | | |
| 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' | 26" | Redi-mix to surface | | | | | | | | | | |
| 11-3/4" | 42# | 430' | 14-3/4" | 385 sx (circ) | | | | | | | | | | |
| 8-5/8" | 32# | 4196' | 11" | 1240 sx (circ) | | | | | | | | | | |
| 5-1/2" | 17# | 12,665' | 7-7/8" | 1695 sx (TOC 4150'est) | | | | | | | | | | |
| 24. LINER RECORD | | | | | | | | | | | | | | |
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | 25. TUBING RECORD | | | | | | | | | | |
| | | | | SIZE | DEPTH SET | PACKER SET | | | | | | | | |
| | | | | 2-7/8" | 10,055' | | | | | | | | | |
| 26. Perforation record (interval, size, and number) 11,769'-11,790' (42) 9966'-9988' (44) 10,158'-10,172' (28) 9824'-9833' (18) 9860'-9864' (8) | | | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>11,769'-11,790'</td> <td>Acidized w/3000g 20% NEFE HCL w/72 balls</td> </tr> <tr> <td>10,158'-10,172'</td> <td>Acidized w/2000g 20% NEFE HCL w/60 balls</td> </tr> <tr> <td>9824'-9988'</td> <td>Spotted 5 bbls acid, pumped 1500g acid w/120 balls</td> </tr> </table> | | | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 11,769'-11,790' | Acidized w/3000g 20% NEFE HCL w/72 balls | 10,158'-10,172' | Acidized w/2000g 20% NEFE HCL w/60 balls | 9824'-9988' | Spotted 5 bbls acid, pumped 1500g acid w/120 balls |
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| 28. PRODUCTION | | | | | | | | | | | | | | |
| Date First Production 4/24/11 | | Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>) Pumping | | | Well Status (<i>Prod. or Shut-in</i>) Producing | | | | | | | | | |
| Date of Test 4/27/11 | Hours Tested 24 hrs | Choke Size NA | Prod'n For Test Period | Oil - Bbl 14 | Gas - MCF 0 | Water - Bbl. 42 | | | | | | | | |
| Flow Tubing Press. 250 psi | Casing Pressure 50 psi | Calculated 24-Hour Rate | Oil - Bbl. 14 | Gas - MCF 0 | Water - Bbl. 42 | Oil Gravity - API - (<i>Corr.</i>) NA | | | | | | | | |
| 29. Disposition of Gas (<i>Sold, used for fuel, vented, etc.</i>) Sold when produced | | | | | 30. Test Witnessed By M. Ramirez | | | | | | | | | |
| 31. List Attachments Logs and Deviation Survey | | | | | | | | | | | | | | |
| 32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit. | | | | | | | | | | | | | | |
| 33. If an on-site burial was used at the well, report the exact location of the on-site burial: | | | | | | | | | | | | | | |
| Latitude | | Longitude | | NAD 1927 1983 | | | | | | | | | | |
| I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief | | | | | | | | | | | | | | |
| Signature | <i>Tina Huerta</i> | | Printed Name | Tina Huerta | | Title Regulatory Compliance Supervisor Date April 29, 2011 | | | | | | | | |
| E-mail Address tinah@yatespetroleum.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 and not later than 60 days after completion of closure. When submitted as a completion report, this 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 11, 12 and 26-31 shall be reported for each zone.

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 A |
| T. Salt | T. Strawn | 10,850' | T. Kirtland | T. Penn. "B |
| B. Salt | T. Atoka | 11,406' | T. Fruitland | T. Penn. "C |
| T. Yates | T. Mississippian | 11,934' | T. Pictured Cliffs | T. Penn. "D |
| T. 7 Rivers | T. Devonian | 12,640' | T. Cliff House | T. Leadville |
| T. Queen | T. Silurian | | T. Menefee | T. Madison |
| T. Grayburg | T. Montoya | | T. Point Lookout | T. Elbert |
| T. San Andres | T. Simpson | | T. Mancos | T. McCracken |
| T. Glorieta | T. McKee | | T. Gallup | T. Ignacio Otzte |
| T. Paddock | T. Ellenburger | | Base Greenhorn | T. Granite |
| T. Blinebry | T. Gr. Wash | | T. Dakota | |
| T. Tubb | T. Delaware Sand | | T. Morrison | |
| T. Drinkard | T. Bone Springs | | T. Todilto | |
| T. Abo | T. Rustler | 1912' | T. Entrada | |
| T. Wolfcamp | T. Morrow | 11,676' | T. Wingate | |
| T. Upper Penn | T. Austin | 11,756' | T. Chinle | |
| T. Cisco | T | | T. Permian | |

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 |
|------|----|----------------------|-----------|
| | | | |