

Submit 1 Copy To Appropriate District  
Office  
District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
1301 W Grand Ave, 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

Form C-103  
October 13, 2009

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)		WELL API NO. 30-015-38223
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VB-679
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Buho BQH State
4. Well Location Unit Letter <u>A</u> : <u>480</u> feet from the <u>North</u> line and <u>75</u> feet from the <u>East</u> line Section <u>35</u> Township <u>26S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2997'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Hay Hollow; Bone Spring

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER. Production casing ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

9/22/11 - Reached KOP 6564' at 11:15 AM.  
9/23/11 - Drilled to 7273' and reduced hole to 8-1/2" and continued to drill directionally.  
9/26/11 - Reached TD 8-1/2" hole to 11,720' at 10:00 PM.  
9/29/11 - Set 5-1/2" 20# L-80 buttress and LT&C casing at 11,715'. Cemented stage 1 with 500 sx Class "C" + 5% D044 + 0.5% D112 + 0.125#/sx D130 + 6% D20 + 0.2% D46 + 3#/sx D42 (yld 2.06, wt 12.6). Tailed in with 200 sx Class "C" + 0.125#/sx D130 + 3#/sx D42 + 0.2% D201 (yld 1.34, wt 14.8). Cemented stage 2 with 150 sx Class "C" + 0.125#/sx D130 + 3#/sx D42 + 0.2% D201 (yld 1.34, wt 14.8). Calc TOC at 2100'. Displaced below DV tool with 3% KCL. Dropped 2 - 1-1/4" balls. Inflated packers. Did push/pull test. Packers engaged. Opened DV tool and broke circulation. Circulated casing. Packer stage tool at 2788'. DV/stage tool at 6505'. Openhole packers at 6601', 7610', 7808', 8007', 8162', 8359', 8559', 8756', 8912', 9113', 9311', 9511', 9668', 9866', 10,065', 10,264', 10,421', 10,621', 10,819', 11,019', 11,175', 11,374', 11,529' and anchor packer at 11,587'. Frac ports at 7711', 7909', 8107', 8261', 8460', 8658', 8857', 9014', 9213', 9412', 9612', 9769', 9967', 10,166', 10,366', 10,522', 10,721', 10,920', 11,077', 11,275', 11,474' and dual external hydraulic frac port at 11,647'. Float collar at 11,713'.

Spud Date:

8/10/11

Rig Release Date:

9/30/11

RECEIVED

OCT 24 2011

NMOCD ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE October 20, 2011

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: T. L. Shepard TITLE Geologist DATE OCT 27 2011

Conditions of Approval (if any):