

District I - (575) 393-6161

1625 N. French Dr., Hobbs, NM 88240

District II - (575) 748-1283

811 S. First St., Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Rd., Aztec, NM 87410

District IV - (505) 476-3460

1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

NM OIL CONSERVATION

ARTESIA DISTRICT

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-015-42624

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VB-1766

7. Lease Name or Unit Agreement Name
Spunky BUK State Com

8. Well Number

1H

9. OGRID Number

025575

10. Pool name or Wildcat

Wildcat; Bone Spring

SUNDRY NOTICES AND REPORTS ON WELLS

(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.)

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

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter D : 200 feet from the North line and 660 feet from the West line
Unit Letter M : 230 feet from the South line and 660 feet from the West line

Section 2 Township 26S Range 26E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3,380' GR

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 ☐

CLOSED-LOOP SYSTEM ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: Surface and Intermediate 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.

1/12/15 - Resumed drilling with rotary tools at 8:00 pm.

1/13/15 - TD 17-1/2" hole to 394'. Set 13-3/8" 48# J-55 ST&C casing at 394'. Cemented with 316 sacks Class "C" + 0.5% D020 + 5#/sx D042 + 0.2% D046 + 0.03 gal/sx D080 + 0.13#/sx D130 (yld 1.36, wt 14.80). Circulated 76 sacks to the surface.

1/14/15 - Tested casing to 800 psi, good. WOC 25 hours. Reduced hole to 12-1/4" and resumed drilling.

1/15/15 - TD 12-1/4" hole to 2,024'. Set 9-5/8" 36# J-55 LT&C casing at 2,024'. Cemented with 467 sacks Class "C" + 2.5% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.13# D130 + 94#/sx D903 (yld 2.10, wt 12.80). Tailed in with 130 sacks Class "C" + 0.5% D020 + 5#/sx D042 + 0.2% D046 + 0.13#/sx D130 + 94#/sx D903 (yld 1.36, wt 14.80). Circulated 134 sacks to the surface.

1/17/15 - Tested casing to 1200 psi, good test. WOC 25 hours. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

9/16/14

Rig Release Date:

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

SIGNATURE

Laura Watts

TITLE

Regulatory Reporting Technician

DATE

January 26, 2015

Type or print name

Laura Watts

E-mail address:

laura@yatespetroleum.com

PHONE:

575-748-4272

For State Use Only

APPROVED BY:

RDade

TITLE

Dist # Supervisor

DATE

2/3/2015

Conditions of Approval (if any):