

Office

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

NM OIL CONSERVATION

Energy, Minerals and Natural Resources

Revised July 18, 2013

ARTESIA DISTRICT

MAR 9 2015

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-015-42893

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VB-0545

7. Lease Name or Unit Agreement Name

Macanudo BTE State Com

8. Well Number

1H

9. OGRID Number

025575

10. Pool name or Wildcat

Willow Lake; Bone Spring, West

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	I	:	2365	feet from the	South	line and	605	feet from the	East	line
Unit Letter	A	:	330	feet from the	North	line and	660	feet from the	East	line

Section	23	Township	24S	Range	27E	NMPM	Eddy	County
Section	14	Township	24S	Range	27E	NMPM	Eddy	County

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

3,171' 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 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.

3/2/15 - Resumed drilling with rotary tools at 12:30 pm.

3/3/15 - TD 17-1/2" hole to 749'. Set 13-3/8" 48# J-55 ST&C casing at 749'. Cemented with 225 sacks Class "C" + 0.2% D013 + 5% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.13#/sx D130 + 94#/sx D903 (yld 2.15, wt 12.8). Tailed in with 200 sacks Class "C" + 1.5% D020 + 3#/sx D042 + 0.13#/sx D130 + 94#/sx D903 + 1% S001 (yld 1.71, wt 13.50). Circulated 53 sacks to the surface.

3/4/15 - Pressure tested casing to 800 psi, good. WOC 21 hours 30 mins. Reduced hole to 12-1/4" and continued drilling.

Spud Date:

1/29/15

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 March 6, 2015

Type or print name

Laura Watts

E-mail address:

laura@yatespetroleum.com

PHONE:

575-748-4272

For State Use Only

APPROVED BY:

Dr. Dade

TITLE

Dist. H. Spawor

DATE

3/13/15

Conditions of Approval (if any):