

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

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

Form C-103
October 13, 2009

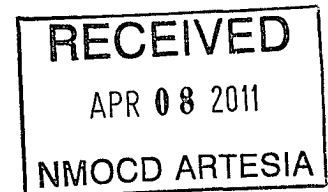
<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>		<p>WELL API NO. 30-015-36220 ✓</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation ✓</p>		<p>6. State Oil & Gas Lease No. VB-793</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Shocker 32 State ✓</p>
<p>4. Well Location Surface A : 330 feet from the North line and 330 feet from the East line BHL P : 330 feet from the South line and 380 feet from the East line Section 32 Township 25S Range 29E NMPM Eddy County</p>		<p>8. Well Number 3H ✓</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2983'GR</p>		<p>9. OGRID Number 025575 ✓</p>
<p>10. Pool name or Wildcat Willow Lake; Bone Spring, Southeast</p>		

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/></p>		<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/></p>	
<p>OTHER: <input type="checkbox"/></p>		<p>OTHER: Conductor and surface casing <input checked="" type="checkbox"/></p>	

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.

3/28/11 – Set and cemented to surface 40' of 20" conductor at 4:00 PM. Notified Mike Bratcher NMOCD-Artesia.
 4/1/11 – Resumed drilling at 7:00 PM.
 4/2/11 – TD 17-1/2" hole to 368'. Set 13-3/8" 48# H-40 LT&C casing at 330'. Cemented with 130 sx Class "C" + 0.125#/sx D130 + 3.76#/sx D20 + 1.88#/sx S1 + 0.188#/sx D46 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 0.125#/sx D130 (yld 1.33, wt 14.8). Circulated 71 sx to pit. NOTE: NMOCD-Artesia was notified via voicemail of intent to run and cement casing – did not witness. Tested casing to 600 psi for 30 min, good. WOC 30 hrs. Reduced hole to 12-1/4" and resumed drilling.



Spud Date: 10/29/10 Rig Release Date:

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 April 7, 2011

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

APPROVED BY: Donald May TITLE Field Supervisor DATE 4-12-11
 Conditions of Approval (if any):