

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

<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. 30-015-38565</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. VO-4567</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Rudolph ATX State Com</p>
<p>4. Well Location Surface N : 330 feet from the South line and 2280 feet from the West line BHL C : 330 feet from the North Line and 1980 feet from the West line Section 16 Township 19S Range 31E NMPM Eddy County</p>		<p>8. Well Number 4H</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3497'GR</p>		<p>9. OGRID Number 025575</p>
<p>10. Pool name or Wildcat Lusk; Bone Spring, West</p>		

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 COMPLETIONS ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

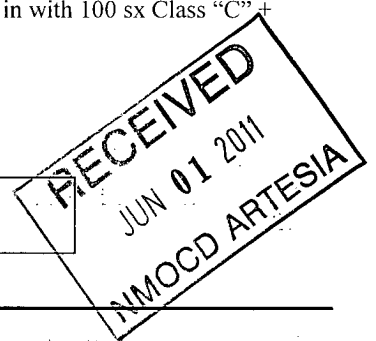
OTHER: Production casing ☒

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.

5/7/11 - Drilled to 8450' KOP and continued to drill directionally.
5/9/11 - Drilled 8-3/4" hole to 9316'. Reduced hole to 8-1/2" and continued to drill directionally.
5/18/11 - Reached TD 8-1/2" hole to 13,286' at 11:30 PM.
5/20/11 - Set 5-1/2" 17# HCP-110 L-80 LT&C at 13,286'. DV tool/stage tool at 6008'. Float collar at 13,193'. Cemented stage 1 with 560 sx 35:65:6 Poz "C" + 1.978 PPS D042 + 5% D044 + 1% D112 + 0.124 PPS D130 + 0.03 GPS D177 + 0.2% D046 + 6% D020 (yld 2.06, wt 12.6). Tailed in with 900 sx PVL + 0.5% D079 + 0.5% D112 + 30% D151 + 1.5% D174 + 0.02 GPS D177 + 0.7% D800 + 0.2% D046 (yld 1.83, wt 13). Opened DV tool with 1000 psi. Circulated cement off DV tool. Circulated 188 sx to pit. Cemented stage 2 with 470 sx 35:65:6 Poz "C" + 1.978#/sx D042 + 5% D044 + 0.2% D046 + 1% D112 + 0.124#/sx D130 + 6% D020 (yld 2.08, wt 12.6). Tailed in with 100 sx Class "C" + 0.2% D013 (yld 1.33, wt 14.8).

Spud Date: 4/16/11

Rig Release Date: 5/21/11



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 May 31, 2011

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

For State Use Only

APPROVED BY: David Gray TITLE Field Supervisor DATE 6-8-11

Conditions of Approval (if any):