

Submit Copy To Appropriate District  
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

HOBBS OCD

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103

Revised July 18, 2013

JAN 07 2014

RECEIVED

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

WELL API NO. 30-025-40576
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-3524/VO-8239
7. Lease Name or Unit Agreement Name September Grass BSG State Com
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Berry; Bone Spring, North

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>										
2. Name of Operator Yates Petroleum Corporation										
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210										
4. Well Location										
SH Unit Letter	J	:	2480	feet from the	South	line and	1955	feet from the	East	line
BH Unit Letter	G	:	2311	feet from the	North	line and	1966	feet from the	East	line
SH Section	5		Township	21S	Range	34E	NMPM	Lea	County	
BH Section	8		Township	21S	Range	34E	NMPM	Lea	County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3714' 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: Completion Operations ☒

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.

8/19/13 - 12/20/13

Tagged stage packer at 8,806'. Drilled cement from 8,806' to 8,809'. Fell thru and tagged stage packer at 8,822'. Drilled out and circulated clean and pressure test casing to 3000 psi for 30 mins, held good. Tagged DV tool at 10,999' and drilled out. Circulated hole clean. Tagged cement at 16,085'. Drilled down to 16,150' and circulated hole clean. Pressure test casing to 3500 psi for 30 mins, held good. Pickled casing w/ 500 gals Xylene and 1200 gals 15% NEFE HCL acid. Displaced hole w/ 360 bbls of 3% KCL w/ CRW-132 chemical. TIH with 4-3/4" bit and scraper. Reamed thru stage packer at 8,822' and DV tool at 10,999'. RIH to 11,930'. Pressured up to 1500 psi on casing and run CBL to 1950'. TOC at 4,600'. Perforated Bone Spring 14,501' to 16,150' (180 holes). Acidized with 28,000 gals of 15% HCL acid, frac with a total of 1,515,036 lbs El Prop, Econoprop, 30/50 Econoprop sand. Found holes in casing at 11,533' and 11,569'.

CONTINUED ON NEXT PAGE:

Spud Date:

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 6, 2014

Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

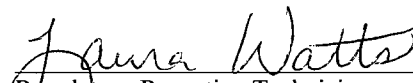
APPROVED BY: [Signature] TITLE Petroleum Engineer DATE JAN 28 2014

Conditions of Approval (if any):

JAN 28 2014

Form C-103 continued:

TIH with 5-1/2" retainer to 11,467'. Circulated 240 bbls of fresh water. Set retainer. Pressured up to 1000 psi on casing. Pumped 10 bbls fresh water thru retainer into squeeze holes at 1 BPM @ 4700 psi. Tested tubing to 4000 psi, held good. Sting out of retainer. Pressure tested casing to 3000 psi for 15 mins. Lost 1100 psi. Sting into retainer. TIH with 4-11/16" overshot with 3-3/8" grapple. Tagged up on retainer at 11,920'. Pushed down to 14,341'. TIH with bit and scraper down to 11,991'. TIH with 5-1/2" AS-V compression packer to 11,586'. Set packer and pressure test to 3000 psi from 11,586' to composite bridge plug at 14,407'. Released packer. PUH to 11,546'. Pressure test casing from 11,546' to surface. Held 3000 psi for 20 mins. Establish injection rate into squeeze holes 1 BBL min. Pumped a total of 20 BBLs into formation. TIH with 5-1/2" cement retainer to 11,139'. Pumped 65 bbls fresh water thru retainer. Set retainer. Spotted 100 sacks Class "H" cement with 0.03% Fluid Loss. Sting into retainer. Squeezed with 50 sacks (10.5 bbls slurry) in formation. Sting out and reversed out 2 bbls of cement. Tagged at 11,132'. Drilled 5' of cement on top of retainer, drilled out retainer. Continued drilling cement down to 11,213'. Circulated hole clean. Tagged cement at 11,213'. Drilled out cement down to 11,555'. Circulated hole clean. Pressure test casing to 3000 psi for 20 mins, held good. TIH with 5-1/2" scraper and 4-3/4" string mill. Reamed thru from 11,100' to 11,609'. Circulated hole clean. Pressure tested casing to 3000 psi for 20 mins, held good. TIH with steel patch to 11,608'. RIH thru tubing to 11,570' with Gamma Ray and CCL. Spotted the top of the patch at 11,560' and the bottom of the patch at 11,579'. Found patch at 11,561' to 11,580'. Ran log across patch with no restrictions. Put together 2<sup>nd</sup> 5-1/2" Saltel Ultra slim casing patch and started in hole filling tubing every 4 stands. Finished TIH with casing patch to 11,474'. Top of patch at 11,523' and bottom of patch at 11,542'. Pressured test tubing to 2600 psi for 5 mins. Got patch set and drifted both patches with a 4.54" OD. Pressure test casing to 4000 psi lost 200 psi to 3800 psi in 30 mins, good. Bled well down. POOH with logging tools. Perforated Bone Spring 12,001' to 14,300' (180 holes). Acidized with 16,042 gals of 15% HCL acid, frac with a total of 2,029,907 30/50 Econoprop sand. 2-7/8" 6.50# and 7.90# L-80 and P-110 at 10,950'.

  
Regulatory Reporting Technician  
January 6, 2014