

Submit 1 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

State of New Mexico
Energy, Minerals and Natural Resources
HOBBS OCD
OIL CONSERVATION DIVISION
JAN 25 2013
320 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-103
Revised August 1, 2011

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.)		WELL API NO. 30-025-26309
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VB-1819
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Trucker BRK State
4. Well Location Unit Letter L : 1980 feet from the South line and 660 feet from the West line Unit Letter I : 1986 feet from the South line and 345 feet from the East line Section 2 Township 24S Range 33E NMPM Lea County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3615'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Bell Lake; Bone Spring

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: Re-entry procedures and 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.

2/19/12- 2/28/12 - Began re-entry procedures. NU BOP. Drilled cement down to 8960'. Circulated and displaced dirty fluid with but brine. Tested casing from surface to 8960' to 500 psi, held good. Drilled cement down to 9500'. Circulated hole clean. Pressure tested casing from surface to 9500' to 650 psi for 15 min, held good. ND BOP.
10/14/12 - NU BOP.
10/16/12 - TIH with tubing to a depth of 11,431' and tagged. Circulated hole clean. TOOH with tubing and bit.
10/18/12 - ND BOP.
11/27/12 - NU BOP. Tested casing to 1200 psi for 30 min, good. Set a CIBP at 10,630'. NOTE: Notified E.L. Gonzales NMOCD-Hobbs of operations via voicemail.
11/28/12 - Tagged CIBP at 10,627'. Circulated casing.
11/29/12 - Picked up starter mill, bit sub, single joint drill pipe and UBHO assembly. TIH with whipstock to 10,609'. Broke circulation and made 15" starter cut. Circulated bottoms up.

CONTINUED ON NEXT PAGE:

Spud Date: 2/19/12 Re-entry Rig Release Date: 12/18/12

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

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE January 24, 2013

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

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE JAN 28 2013

Conditions of Approval (if any):

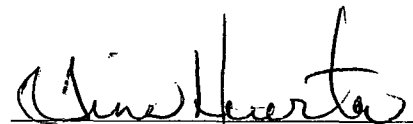
Form C-103 continued:

11/30/12 – Finished TIH with mill assembly. Milled ramp and attempted to drill rathole from 10,604'-10,614'. Drill rate stopped once on formation. Circulated bottoms up. Changed out window mill. TIH to 10,596'. Cut 108' drilling line. Washed to 10,613'. Drilled rathole to 10,616'.

12/1/12 – Drilled rathole with window mill. Circulated bottoms up. TOOH with mill assembly. Laid down and load out window and watermelon mill. TIH to 10,615'. Orient gyro through window. Washed to bottom from 10,615'-10,618'. Continued to drill directionally.

12/15/12 – Reached TD 6-1/8" hole to 15,075' at 9:00 AM.

12/16/12 – Set 4-1/2" 13.5# P-110 buttress casing at 15,060'. Packer stage tool at 10,479'. Float collar at 14,970'. Cemented with 350 sx PVL + 0.6% PF-13 + 30% PF-151 + 0.2% PF-153 + 5% PF-174 + 0.25#/sx PF-46 + 7% PF-606 + 0.2% PF-800 (yld 1.87, wt 13). Bumped to 3398 psi, hold ok. Dropped bomb. Inflate packer and opened tool to 1980 psi. Broke circulation. Circulated only chemical wash off of stage tool. Dropped closing plug and displaced with treater water. ND BOP.



Regulatory Reporting Supervisor
January 24, 2013