

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

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1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBSUCD

WELL API NO. 30-025-36223
5. Indicate Type of Lease: STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-5113
7. Lease Name or Unit Agreement Name Big Hat BKI State
8. Well Number 3
9. OGRID Number 025575
10. Pool name or Wildcat Anderson Ranch; Penn, East/Sombrero; Wolfcamp

<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>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>	
<p>2. Name of Operator Yates Petroleum Corporation</p>	
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>	
<p>4. Well Location Unit Letter <u>B</u> : <u>795</u> feet from the <u>North</u> line and <u>2281</u> feet from the <u>East</u> line Section <u>3</u> Township <u>16S</u> Range <u>33E</u> NMPM Lea County</p>	
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4219'GR</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 checked="" type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL. <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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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.

Yates Petroleum Corporation plans to plug and abandon this well as follows:

NOTE: Casing collapsed at 12,592'

1. MIRU any safety equipment as needed. NU BOP. TOH with production equipment.
2. Set a CIBP at 11,480' with 35' cement on top. Set a 2nd CIBP at 10,210' with 35' cement on top.
3. Spot a 100' cement plug from 7000'-6000'.
4. Perforate holes at 6105'. Place a 100' cement plug from 6105'-6005', inside and outside casing. WOC and tag.
5. Place a 100' cement plug from 3200'-3100', inside and outside casing. WOC and tag.
6. Perforate holes at 480'. Place a 100' cement plug from 480'-380', inside and outside casing. WOC and tag.
7. Spot a 10.5x cement plug at surface. Install dry hole marker and clean location.

Wellbore schematics attached

NOTE: Yates Petroleum Corporation will use steel pits and no earth pits

Spud Date: **MUST BE NOTIFIED 24 Hours Prior to the beginning of operations** 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 Reporting Supervisor DATE July 26, 2013

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

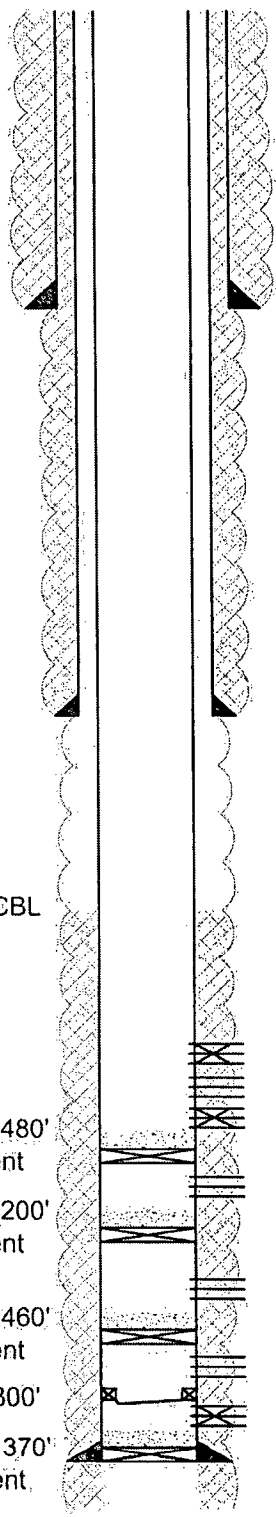
APPROVED BY: [Signature] TITLE Dist. MGR DATE 8-5-2013
Conditions of Approval (if any): AUG 05 2013

Well Name: Big Hat BKI State #3 Field: _____
 Location: 795' FNL & 2,281' FEL Sec 3-16S-33E
 County: Lea State: New Mexico
 GL: 4,219' Zero: _____ KB: 4,241
 Spud Date: _____ Completion Date: _____
 Comments: _____

Casing Program	
Size/Wt/Grade	Depth Set
13 3/8" 48# H-40	430'
9 5/8" 36# & 40# J-55, N-80, P-110	6,055'
7" 26# & 29# P-110 & MAV-95	14,427'

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 AUG 05 2013
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BEFORE



13 3/8" csg @ 430'
 Cmtd w/ 550 sx. Cmt circ.

9 5/8" csg @ 6,055'. Cmtd w/ 3,200 sx. Cmt circ.

TOC @ 7,888' by CBL

CIBP @ 11,480'
 w/ 35' cement

CIBP @ 12,200'
 w/ 35' cement

CIBP @ 12,460'
 w/ 35' cement

Cmt Retainer @ 12,800'

CIBP @ 14,370'
 w/ 35' cement

TD 14,437'

Squeezed Upper Wolfcamp perms 10,218-57'
 Upper Wolfcamp perms 10,280-94'
 Squeezed Wolfcamp perms 10,370'-10,462'

Canyon perms 11,504'-11,609'

Atoka perms 12,248'-12,341'

Restriction or collapse @ 12,592'. Drilled outside of csg @ 12,600'.
 Atoka perms 12,623-33'

Squeezed holes @ 12,812'. Sqzd w/ 60 sx.

7" csg @ 14,427' Cmtd 1st stg w/ 525 sx. Cmtd 2nd stg w/ 1350 sx.
 Devonian OH 14,427-37'

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HOBBS CO

Casing Program

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7" 26# & 29# P-110 & MAV-95	14,427'

AFTER

10 sack cmt plug @ surf.

13 3/8" csg @ 430'
 Cmtd w/ 550 sx. Cmt circ.
 100' cement plug @ 380'-480'

PERF & SQ 25sx cmt @ 1325' - WOC/TAG

100' cement plug @ 3,100'-3,200'

9 5/8" csg @ 6,055'. Cmtd w/ 3,200 sx. Cmt circ.
 100' cement plug @ 6,005'-6,105'

100' cement plug @ 7,450'-7,550'

TOC @ 7,888' by CBL

CIBP @ 10,210'
 w/ 35' cement

CIBP @ 11,480'
 w/ 35' cement

CIBP @ 12,200'
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