

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

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. 30-025-36135
1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <u>SWD</u>		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. V-2443
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Lotus ALT State
4. Well Location Unit Letter <u>D</u> : <u>990</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>West</u> line Section <u>32</u> Township <u>22S</u> Range <u>32E</u> NMPM Lea County		8. Well Number 4
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3537'GR		9. OGRID Number 025575
		10. Pool name or Wildcat SWD; Delaware

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

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

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.

4/2/13 - MIRU. NU BOP.

4/3/13 - RIH with GR/JB down to 7100'. Set a 5-1/2" CIBP at 7012'. Loaded hole with 90 bbls fresh water. Pressured up on casing to 500 psi. Pressure bled down to 140 psi in 2 min. Tried to pressure test several times. Dump bailed 35' cement on top of CIBP.

4/4-6/13 - Pressure tested casing to 500 psi, dropped down to 120 psi in 2 min. Isolate hole 4952'-4984'. Pressure tested casing from 4952' and up to 500 psi, held good for 30 min. Pressure tested casing from 4984' to CIBP at 7012' to 500 psi for 30 min, good.

4/7/13 - Tested casing from 4984'-7012' to 1000 psi, lost 20 psi in 15 min. Pressure tested casing from 4952' to surface, lost 20 psi in 15 min. Spotted 500g 15% NEFE HCL acid. Reversed out 10 bbls. Circulated hole clean and spotted 500g 15% NEFE HCL acid.

4/8/13 - Isolated hole from 4962'-4968'. Perforated at 4965'. Pumped 20 bbls fresh water into perfs at 1 BPM at 900 psi.

4/9/13 - Pumped 40 bbls fresh water through retainer at 4886'. Apply 500 psi on casing. Batch mixed up 100 sx Class "C" cement with 2% CaCl followed with 150 sx Class "C" Neat cement. Stage and got a squeeze pressure of 2800 psi, sting out. Reversed out 9 bbls cement.

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 Tina Huerta TITLE Regulatory Reporting Supervisor DATE June 25, 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 8-6-2013
Conditions of Approval (if any):

AUG 06 2013

Form C-103 continued:

4/11-13/13 – Tagged up at 4860'. Drilled 6' cement. Tagged up on CIRC at 4886', took 6 hrs to drill through retainer. Continued drilling cement to 4900'. Circulated hole clean.

4/14/13 – Tagged up at 4900'. Drilled out cement and fell out at 4969', dropped down to 4992'. Circulated hole clean. Pressure tested casing to 540 psi, lost 30 psi in 30 min. Bled down pressure.

4/15/13 – Tagged up solid at 5100'. Tagged up at 5120'. Drilled small amount of cement down to 5186'. Circulated hole clean. Perforated Delaware 6236'-6450' (58).

4/17/13 – Circulated 120 bbls packer fluid. ND BOP. Tested casing to 500 psi for 30 min, lost 20 psi.

4/28/13 – Acidized with 5000g 7-1/2% NEFE HCL acid. Frac with 269,751# 16/30 brown sand.

4/29/13 – Pumped 70 bbls fresh water down casing.

5/2/13 – NU BOP. Circulated 120 bbls 10# brine water.

5/3-4/13 – RIH with 4.6 GR down to 6220'. Set composite BP at 6175'. Pressure tested plug to 600 psi for 15 min, good. Perforated Delaware 5850'-6142' (59).

5/5/13 – Circulated 100 bbls packer fluid down casing. ND BOP. Tested casing to 500 psi for 30 min, good.

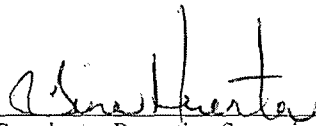
5/7/13 – Acidized with 5000g 7-1/2% NEFE HCL acid. Frac with 297,630# 16/30 brown sand.

5/12/13 – NU BOP.

5/13/13 – Tagged up on sand at 6002'. Washed sand down to composite plug at 6180', drilled out in 15 min. Dropped down to 6250'. Circulated hole clean.

5/15/13 – Had 100 psi on casing and tubing. Set 5-1/2" AS1-X nickel plated packer and 2-7/8" plastic-coated J-55 tubing at 5762'. ND BOP. Circulated hole with 120 bbls packer fluid. Ran a 30 min charted pressure test to 535 psi in 30 min. Pressure was at 515 psi. NMOC representative Mark Whitaker checked calibration on chart recorder but did not witness test. NOTE: Name will change when completion report is sent in.

Copy of chart attached.


Regulatory Reporting Supervisor
June 25, 2013

