

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

HOBBS OCD

SEP 12 2013

RECEIVED

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-025-41121
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. VO-3900/VB-1384
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Belfast BSL State Com
4. Well Location Unit Letter <u>LX</u> <u>13</u> : <u>2750</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line Unit Letter <u>Lot 4</u> : <u>330</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>6</u> Township <u>21S</u> Range <u>34E</u> NMPM Lea County		8. Well Number 1Y
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3740'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Berry; Bone Spring, North

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"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Completion Operations <input checked="" 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.

5/29/13 - 8/14/13 - NU BOP. Tagged DV tool at 6,730' and drilled out. Circulated hole clean and tested casing to 3000 psi, held good for 15 mins. Tagged 2<sup>nd</sup> DV tool at 10,234', drilled out and circulated hole clean. Tested casing to 3500 psi for 30 mins, held good. Pickled casing with 500 gals Xylene and 1,200 gals 15% NEFE HCL acid. Displaced hole with 355 bbls of 3% KCL with Oxygen Scavenger, Corrosion Inhibitor and CRW-132 chemical. Drilled cement down to 15,331' and circulated hole clean. Pressure test casing to 3500 psi for 30 mins. Made scraper run and reamed thru DV tools at 6,730' and 10,234'. Applied 1500 psi to casing. Run CBL/Gamma Ray/CCL log TOC at 3,132'. Perforated Bone Spring 11,036' - 15,330' (468). Acidized with 74,000 gals 15% HCL acid. Frac with a total of 3,549,717 El Prop. Circulated hole clean. Flow thru plug at 14,370' and 14,709'. 2-7/8" tubing-coiled at 13,502'.

Spud Date: 4/17/13 Rig Release Date: 5/16/13

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 September 10, 2013

Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

For State Use Only  
APPROVED BY: [Signature] TITLE Petroleum Engineer DATE OCT 07 2013

Conditions of Approval (if any):

OCT 07 2013