

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

Form C-103  
Revised July 18, 2013

HOBBS OCD

OIL CONSERVATION DIVISION

JAN 10 2014

1020 South St. Francis Dr.  
Santa Fe, NM 87505

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. 30-025-41054
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-6276
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Yarrow BHY State
4. Well Location Unit Letter B : 475 feet from the North line and 2043 feet from the East line Unit Letter O : 330 feet from the South line and 1980 feet from the East line Section 32 Township 23S Range 33E NMPM Lea County		8. Well Number 4H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,667' GR		9. OGRID Number 025575
		10. Pool name or Wildcat Triple X; 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 ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

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

12/19/13 - TD 12-1/4" hole to 5,222'. Set 9-5/8" 36# and 40# J-55 and HCK-55 LT&C at 5,222'. Cemented with 950 sacks 35:65:6 Poz "C" + 2.0#/sx B288 + 2.0#/sx B289 + 2.0% D020 + 5.0#/sx D042 + 5.0% D044 + 0.2% D046 + 0.3% D112 + 0.13#/sx D130 (yld 2.00, wt 12.8). Tailed in with 440 sacks 50/50 Poz "C" + 3.0#/sx D042 + 5.0% D044 + 0.2% D046 + 0.2% D065 + 0.13#/sx D130 (yld 1.36, wt 14.2). Circulated 281 sacks to pit. WOC.

12/21/13 - NU BOP. Tested 9-5/8" casing to 1200 psi for 30 mins.

12/22/13 - Tagged cement at 5,168'. Displaced hole with 8.6 ppg cut brine. Changed out valve on flowline going to half round reserve tank. Drilled cement plug and float collar from 5,168' to 5,180'. Circulated bottoms up. Tested 9-5/8 casing, starting pressure 1235 psi ending 1187 psi, good test. Drilled cement and float shoe from 5,180' to 5,222'. WOC 33 hours. Reduced hole to 8-3/4" and resumed drilling.

CONTINUED ON NEXT PAGE:

Spud Date: 11/30/13

Rig Release Date: 1/6/14

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 9, 2014

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 JAN 14 2014  
Conditions of Approval (if any):

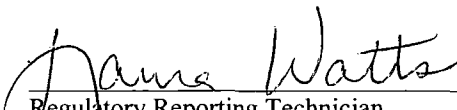
**Form C-103 continued:**

12/26/13 – Drilled to 10,690' KOP and resumed drilling directional.

12/29/13 – Drilled to 11,388' and reduced hole to 8-1/2" and resumed drilling.

1/3/14 – Reached TD 8-1/2" hole to 15,394'.

1/5/14 – Set 5-1/2" 17# P-110 buttress casing at 15,350'. Diversion tool/stage tool set at 8,122'. Float collar set at 15,302'. Cemented stage 1 with 1310 sacks TXI Lite weight + 0.2% D046 + 0.5% D112 + 30.0% D151 + 1.5% D174 + 0.01 gal/sk D177 + 0.1% D208 + 0.8% D800 (yld 1.82, wt 13.00). Circulated 309 sacks to surface. Cemented stage 2 with 500 sacks 35:65:6 Poz "C" + 0.2% D013 + 3.0% D020 + 5.0% D044 + 0.2% D046 + 0.2% D065 + 0.13 lb/sk D130 + 0.1% D208 (yld 2.00, wt 12.6). Tailed in with 100 sacks 50/50 Poz "C" + 5.0% D044 + 0.2% D046 + 0.05% D208 (yld 1.34, wt 14.2).

  
Regulatory Reporting Technician  
January 9, 2014