

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 87401
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

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

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. 30-025-40472
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-1646
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Avocado BRO State
4. Well Location Unit Letter <u>D</u> : <u>150</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>32</u> Township <u>20S</u> Range <u>35E</u> NMPM Lea County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3696' 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.

9/29/13 - NU BOP. RIH with CBL/VDL/collar log to 10,000'. Logged well up to 5,000' with 1500 psi.
9/30/13 - Tagged DV tool at 10,006', drilled out and circulated clean.
10/1-3/13 - Tagged at 15,360', 254' above float collar at 15,614'. Tested casing to 3500 psi for 30 mins, good. Pumped 500 gals of Xylene and 1200 gals of 15% HCL acid. Displaced hole with 390 bbls of 3% KCL with Oxygen Scavenger and corrosion inhibitor. Ream thru DV tool.
10/4-5/13 - Logged well to 11,000'.
1/1-3/13 - Perforated Bone Spring 15,353' - 15,600' (36) holes. ND BOP.
11/10/13 - Acidized with 6000 gals of 15% HCL acid, frac with a total of 307,964# 30/50 Econoprop sand. Tagged at 10,057'. Pumped 50 bbls of 20# gel sweep followed by 355 bbls of slickwater at 60 BPM at 3,630'. Pulled up to 10,700'. Attempted to pump down 8 BPM at 2190 psi. Got down to 11,016'. GR quit moving.

CONTINUED ON NEXT PAGE:

Spud Date: 8/10/13 Rig Release Date: 9/22/13

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 January 17, 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 22 2014

Conditions of Approval (if any):

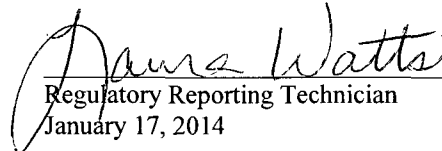
JAN 22 2014

Form C-103 continued:

11/17/13 – 12/8/13

Pump 30 bbls, 3.4 bpm at 700 psi down 5-1/2" casing. Test casing from 10,018' to surface to 2000 psi, tested good. From 10,041' to composite plug @ 15,264' to 2000 psi, tested good. From 10,018' to 10,041', did not test. RIH with 56 arm caliper log from 11,035' up to 7,500'. RIH with CBL/VDL/GR log to 11,076'. Log up to 10,000'. RIH to 10,000', casing did not test. RIH with 5-1/2" wireline set retainer to 9,955'. Sting into retainer. Mix and batch up 470 sacks of Class "H" at 15.6# pumping 2 BPM @ 80 psi. 3-1/2 bbls into displacement, squeeze well to 2350 psi. Pumped 220 sacks into formation. Sting out of retainer. Reverse circulate 254 sx (54 bbls) of cement. Reverse a total of 90 bbls. POH with stinger. Tagged cement at 9,948'. Drilled out cement to retainer at 9,955'. Drilled retainer and cement out to 10,014'. Circulated clean. Fell out of cement at 10,098'. Circulate clean. Test casing to 3000 psi for 30 minutes, good. Circulate down to 10,172'. Reverse circulated 230 bbls of 3% KCL with corrosion inhibitor and oxygen scavenger. Logged from 10,400' up to 9,400' with 1500 psi. Tested from 10,019' down to composite plug at 15,264' to 3000 psi, good. RIH with Saltec expandable 18.8" steel patch to 10,009'. Correlated patch in place. Set patch from 10,001' to 10,020'. Tested casing to 7000 psi, good. Could not get past 10,017' with the 4.62" swedge, Did not feel anything with 4.5" swage. With 4.56" swedge patch out, pull thru patch at 10,017' feel 2 point drag pull above patch. RIH to composite plug at 15,264'. Drilled out plug and circulated clean. PBTD at 15,614'. ND BOP.

12/10-17/13 – Re-acidized Bone Spring 15,353' – 15,600' (36 holes) with 6000 gals of 15% HCL acid, re-frac with a total of 212577# 30/50 Econoprop sand. Perforated Bone Spring 11,195' – 15,224' (396 holes). Acidized with 60,500 gals 15% HCL acid, frac with a total of 3,393,572 lbs 30/50 Econoprop sand. 4-1/2" Baker packer and 2-7/8" 6.5# L-80 tubing at 9,997'.


Regulatory Reporting Technician
January 17, 2014