

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88248
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

HOBBS OCD
MAR 28 2014

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 July 18, 2013

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. 30-025-41058
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-6582/VO-5532
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Atoka Bank BDJ State Com
4. Well Location Unit Letter A : 200 feet from the North line and 660 feet from the East line Unit Letter P : 330 feet from the South line and 667 feet from the East line Section 17 Township 24S Range 33E NMPM Lea County		8. Well Number 3H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,602' GR		9. OGRID Number 025575
		10. Pool name or Wildcat Triple X; Bone Spring, West

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: Completion operations ☒

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.

2/3/14 - NU BOP. Tagged at 7,973'.

2/4/14 - Drilled DV tool at 7,978', tested DV tool to 3000 psi. Tagged at 15,520'.

2/5/14 - Drilled remainder of DV tool. Circulated hole clean down to Float Collar at 15,649'. Circulated 500 gals Xylene, 1200 gals 7-1/2% HCL followed by 3% KCL with CRW-132 Baker Petrolite chemical.

2/9/14 - Pressured up on 5-1/2" 17# casing from surface to PBTD at 15,649'. Pressured up to 3850 psi. Oil states cups on isolation tool were not holding. Change out cups, pressured up again to 3560 psi. Pressured up to 3500 psi, no flow out of bradenhead. Bleed pressure down. Work scraper across DV tool at 7,938'. Ran a VDL-GR-CCL log from 11,400' to 5,200'.

2/10/14 - Set CIBP at 15,645'. Tested 5-1/2" casing from surface to 15,645' to 4900 psi, held good.

2/11/14-3/13/14 - Tested casing from surface to 15,645' to 7000 psi, held good. Perforated Bone Spring 11,455' - 15,635' (468 holes). Acidized with 65,000 gals 15% HCL acid, and frac with a total of 4,259,606# 30/50 Econoprop and 20/40 Super DC sand.

Spud Date:

12/3/13

Rig Release Date:

1/16/14

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 March 27, 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 8/16/14

Conditions of Approval (if any):

APR 21 2014