

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N French Dr , Hobbs, NM 88240  
District II  
1301 W Grand Ave , Artesia, NM 88210  
District III  
1000 Rio Brazos Rd , Aztec, NM 87410  
District IV  
1220 S St Francis Dr , Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
June 16, 2008

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

WELL API NO. 30-015-37849
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0669-001
7. Lease Name or Unit Agreement Name Herradura Unit
8. Well Number 3
9. OGRID Number 25575
10. Pool name or Wildcat South Culebra Bluff-Bone Spring

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.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 S. 4 <sup>th</sup> Street, Artesia, New Mexico 88210	
4. Well Location Unit Letter <u>B</u> <u>510</u> feet from the <u>South</u> line and <u>1930</u> feet from the <u>East</u> line Section <u>4</u> Township <u>24S</u> Range <u>25E</u> NMPM County <u>Eddy</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3734' GR	

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	CASING/CEMENT JOB <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation wishes to drill the Herradura Unit #3H as a vertical well, which will change the name to the Herradura Unit #3. Yates Petroleum Corporation wishes to change the proposed depth of the well to 11,400' which will change the target formation from the Bone Spring to the Lower Morrow.

Surface Casing- Hole-17 1/2" Casing-13 3/8" Wt-48# Setting Depth-500' Cement-525 sks TOC-0  
Int Casing- Hole-12 1/4" Casing-9 5/8" Wt-36# Setting Depth-2700' Cement-920 sks TOC-0  
Production Casing-Hole 8 3/4" Casing-7" Wt-26# Setting Depth-11400' Cement-1360 sks TOC-2200'

MUD PROGRAM: 0-500' Fresh Water; 500'-2700' Fresh Water; 2700'-8800' Cut Brine; 8800'-11400' Cut Brine.

BOPE EQUIPMENT: 3M system nipped up in the 13 3/8". 5M system nipped up on 9 5/8" casing.

It is possible the 7" casing will need to be set at approx. 8400'. If 7" is set, hole will be reduced to 6 1/8" and drilled to 11400' where 4 1/2" casing will be set and cemented. If 7" is not set at 8400', an 8 3/4" hole will be drilled 11400' where 7" will be set and cemented. (Contingency Casing Plan attached)

C-102 Attached.

H2S is not anticipated.

Thank you,

**DENIED** \*subject to geological review.

submit amended C-101, C-102 to change casing setting depths & Target Formations

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SEP 01 2011  
NMOCD ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Armando A. Lopez TITLE Chief Land Regulatory Agent DATE August 31, 2011

Type or print name Armando A. Lopez E-mail address armandol@yatespetroleum.com PHONE: (575) 748-4372

For State Use Only

APPROVED BY: David Gray TITLE Field supervisor DATE 9-1-11  
Conditions of Approval (if any):

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised July 16, 2010  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-37849	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name Morrow
<sup>4</sup> Property Code	<sup>5</sup> Property Name Herradura Unit #3	<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 25575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3734'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	4	24S	25E	2	510'	N	1930'	E	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres 320 E/2	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup>		VB-0669-001	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>  Signature 8/31/11 Date Monti Sanders Printed Name montis@yatespetroleum.com E-mail Address
			<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> <b>Refer to Original Plat</b> Date of Survey Signature and Seal of Professional Surveyor
			Certificate Number

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SEP 01 2011  
NMOOD ARTESIA

### Herradura Unit #3

It is possible that 7" casing will need to be set at approx. 8400'. If 7" is set, hole will be reduced to 6 1/8" and drilled to 11,400' where 4 1/2" casing will be set and cemented.

#### Contingency Casing

##### 2nd Intermediate

0 ft to 8,000 ft		Make up Torque ft-lbs			Total ft =	8,000
O.D.	Weight	Grade	Threads	opt.	min.	mx.
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift
4,320 psi	4,980 psi	367,000 #		415,000 #		6.151

8,000 ft to 8,400 ft		Make up Torque ft-lbs			Total ft =	400
O.D.	Weight	Grade	Threads	opt.	min.	mx.
7 inches	26 #/ft	L-80	LT&C	5110	3830	6390
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift
5,410 psi	7,240 psi	511,000 #		604,000 #		6.151

Cemented with 1400sx. TOC = 0

##### Production

0 ft to 11,400 ft		Make up Torque ft-lbs			Total ft =	11,400
O.D.	Weight	Grade	Threads	opt.	min.	mx.
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020	2270	3780
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift
8,650 psi	10,690 psi	279,000 #		367,000 #		3.875

Cemented with 460sx up to dv tool placed at 8000'. Casing will be cut and pulled at 8000' after completion operations. Only stage one will be cemented. No cement above dv tool. TOC = 8000'.