

Submit 1 Copy 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
October 13, 2009

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

WELL API NO. 30-015-38223
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-679
7. Lease Name or Unit Agreement Name Buho BQH State
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Hay Hollow; 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	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter A : 480 feet from the North line and 75 feet from the East line Unit Letter A : 487 feet from the North line and 369 feet from the East line Surf - Section 35 Township 26S Range 28E NMPM Eddy County BHL -Section 36 Township 26S Range 28E NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2997'GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Completion Operations <input checked="" type="checkbox"/>
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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.

10/16/11 - Tagged at 2728'. Drilled stringered cement from 2728'-2798'. Drilled DV tool at 2798'. Tested DV tool to 1000 psi, held good. Tagged high at 5965'. Drilled hard and soft cement from 5965'-6200' and circulated hole clean.
10/17/11 - Circulated stringered and soft cement from 6200'-6510'. Tagged DV tool at 6510'. Drilled DV tool at 6510'. Tested DV tool to 1000 psi, held good. Worked scraper across DV tool at 2798'. Tagged debris sub at 6552'. Drilled plastic ball and 3" cast iron. Circulated hole clean.
10/18/11 - Drilled debris sub at 6552' and circulated hole clean. Worked scraper across DV tool at 6510' and across debris sub at 6552' and circulated hole clean.
10/19/11 - Applied 1000 psi with reverse unit. Logged from 7162' up to surface. Pressured up on casing to 5130 psi and port opened up. Pumped 280 bbls 3% KCL with Baker chemicals at 4 BPM at 780 psi.

CONTINUED ON NEXT PAGE

Spud Date: 8/10/11	Rig Release Date: 9/30/11	RECEIVED JAN 25 2012 NMOCD ARTESIA

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

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE January 24, 2012

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: T. C. Shugart TITLE Geologist DATE 2/13/2012
Conditions of Approval (if any):

Form C-103 continued:

12/1/11 – Stimulated Bone Spring ports as follows: port 11,647' – spearhead 1500g 7-1/2% HCL acid, frac with 15# linear gel and 15# borate XL, 2460 bbls fluid, 20,500# 40/70 WS, 82,500# 30/50 WS. Port 11,474' – dropped 1.75" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2250 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 11,275' – dropped 1.875" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 82,000# 30/50 WS. Port 11,077' – dropped 2" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 10,920' – dropped 2.125" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 10,721' – dropped 2.25" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 10,522' – dropped 2.375" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 10,366' – dropped 2.50" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 10,166' – dropped 2.625" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 9967' – dropped 2.75" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 9769' – dropped 2.875" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# WS. Port 9612' – dropped 3" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 9412' – dropped 3.125" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 9213' – dropped 3.25" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 83,000# 30/50 WS. Port 9014' – dropped 3.375" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2300 bbls fluid, 21,000# 40/70 WS, 82,000# 30/50 WS.

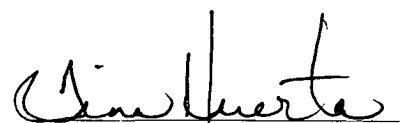
12/2/11 – Port 8857' – dropped 3.50" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2250 bbls fluid, 21,000# 40/70 WS, 82,000# 30/50 WS. Port 8658' – dropped 3.625" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 82,000# 30/50 WS. Port 8460' – dropped 3.75" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 82,000# 30/50 WS. Port 8261' – dropped 3.875" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 82,000# 30/50 WS. Port 8107' – dropped 4" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 82,000# 30/50 WS. Port 7909' – dropped 4.125" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 82,000# 30/50 WS. Port 7711' – dropped 4.25" ball, pumped 1500g 7-1/2% HCL acid, frac with 15# linear gel, 15# borate XL, 2200 bbls fluid, 21,000# 40/70 WS, 82,000# 30/50 WS.

12/13/11 – TIH and tagged at 7711'. Drilled balls and seats down to 10,721'.

12/14/11 – Drilled balls and seats down to 11,077'.

12/18/11 – Tagged at 10,262'. Worked overshot trying to catch motor and mill. TOH with coil and overshot.

12/19/11 – Tagged at 11,262', worked overshot. Tagged at 11,275'. Drilled balls and seats and circulated down to 11,647'. Circulated hole clean. 2-7/8" 6.5# L-80 tubing at 6494'.


Regulatory Compliance Supervisor
January 24, 2012