

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

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

Form C-103
Revised August 1, 2011

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. 30-015-40161
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 type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No.
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Kent BSK
4. Well Location Unit Letter <u>P</u> : <u>400</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>East</u> line Unit Letter <u>M</u> : <u>400</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>20</u> Township <u>18S</u> Range <u>26E</u> NMPM <u>Eddy</u> County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3418'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Penasco Draw; San Andres-Yeso

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: 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.

6/18/12 - Drilled to 2163' KOP and continued to drill directionally.
6/20/12 - Drilled to 3085' and reduced hole to 8-1/2" and continued to drill.
7/3/12 - Reached TD 8-1/2" hole to 7078'.
7/6/12 - Set 7" 26# J-55 LT&C and 5-1/2" 17# L-80 buttress casing at 7050'. Crossover at 1864'. DV tool/stage tool at 2859'.
Openhole packers at 3111', 3444', 3641', 3839', 4036', 4233', 4431', 4674', 4872', 5069', 5266', 5464', 5661', 5904', 6101', 6298', 6496', 6693', 6891' and openhole hydra-pak anchor at 6949'. Frac ports at 2967', 3344', 3541', 3739', 3936', 4134', 4331', 4529', 4772', 4969', 5166', 5364', 5561', 5759', 6001', 6199', 6396', 6593', 6791' and hydro-port at 7000'. Pump out plug at 7048'. Cemented with 270 sx 35:65:6 Poz "C" + 0.125#/sx Cellophane flakes + 6% gel + 5% salt + 0.25#/sx D46 (yld 1.94, wt 12.8). Tailed in with 100 sx Class "C" Lite + 0.1% R1 (yld 1.33, wt 14.8).

Spud Date: 6/9/12

Rig Release Date: 7/7/12

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

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE July 18, 2012

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

For State Use Only

APPROVED BY: DR Dade TITLE Dist. P. Supervisor DATE 7/20/2012

Conditions of Approval (if any):