

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

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

WELL API NO. 30-015-39302
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. VB-1066
7. Lease Name or Unit Agreement Name Bullion BRL State
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat; 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 ☒ Gas Well ☐ Other	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter Lot 1 : 660 feet from the South line and 330 feet from the East line Unit Letter Lot 4 : 660 feet from the South line and 330 feet from the West line Section 32 Township 26S Range 30E NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2937' GR	

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: 5' new hole ☒
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.	

6/6/14 - Made 5' new hole. TD 250'. Hole size 10". Notified Randy Dade NMOCD-Artesia of operations via email.

NM OIL CONSERVATION
ARTESIA DISTRICT

JUN 09 2014

Spud Date:

11/30/11

Rig Release Date:

RECEIVED

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 June 6, 2014Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

For State Use Only

Accepted for record

APPROVED BY: NMOCD

TITLE

DATE 6-11-14

Conditions of Approval (if any):

* See Attached COA's

Permit Comments

Operator: YATES PETROLEUM CORPORATION, 25575

Well: BULLION BRL STATE #001H

API: 30-015-39302

Created By	Comment	Comment Date
dlf	H2S is not anticipated on this well.	8/10/2011
dlf	Pressure Control equipment: 2M system NU on the 13 3/8" and 3M system NU on the 9 5/8" casing. Maximum Anticipated BHP (depths are TVD) 0-700' 225 PSI 400'-2600' 1750 PSI 2600'-7500' 2700 PSI	8/10/2011
dlf	Well will be drilled vertically to 7173'. Kicked off at 7173' and directionally drilled at 12" per 100' with a 3 1/2" bit to 8000' MD (7650' TVD). If hole condition dictate 7" casing will be set. A 6 1/8" hole would then be drilled to 12115' MD (7650' TVD) where 4 1/2" casing would be set and cemented. If 7" is not set, then hole size will be reduced to 3 1/2" and drilled to 12115' MD (7650' TVD) where 5 1/2" casing will be set and cemented. Penetration point of the production zone will be encountered at 660' FSL & 607' FEL of Sec 32 Township 28S & Range 30E. Deepest TVD in the well is 7650' in	8/10/2011
dlf	C-144 for a closed loop system, contingency casing plan and drilling plan to follow by mail.	8/10/2011
Artasia	Lano'S/S'	8/11/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION, 25575

Well: BULLION BRL STATE #001H

API: 30-015-39302

OCD Reviewer	Condition
Alesia	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string