

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 19, 2008

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

WELL API NO. 30-015-35094	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. VA-2974	
7. Lease Name or Unit Agreement Name Canyon BJK State	
8. Well Number 1	
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 A : 330 feet from the North line and 330 feet from the East line  
Section 1 Township 25S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3140'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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: Spud, Surface and Intermediate 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8/15/08 – Spudded well at 10:00 AM. Set 40' of 20" conductor and cemented to surface with redi-mix.  
8/19/08 – Resumed drilling at 11:00 PM. Set 13-3/8" 48# H-40 casing at 610'. Cemented with 305 sx Class "C" + 4% D20 + 0.2% D46 + 2% S1 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 2% S1 (yld 1.34, wt 14.8). Cement circulated to surface. WOC 33 hrs 30 min. Tested casing to 600 psi for 30 min. Reduced hole to 11" and resumed drilling.  
8/24/08 – Set 8-5/8" 24#, 32# J-55 casing at 3165'. Cemented with 731 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 6% D20 + 3#/sx D42 + 1% S1 (yld 1.98, wt 12.6). Tailed in with 200 sx Class "C" + 0.1% D13 (yld 1.32, wt 14.8). Cement circulated to surface.

ACCEPTED FOR RECORD

AUG 29 2008

Spud Date:

8/15/08

Rig Release Date:

Gerry Guye, Deputy Field Inspector  
NMOCD-District II 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 August 26, 2008

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

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):