

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. 30-015-37591
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Sherpa BOY State
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Avalon Shale

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"/>	<b>RECEIVED</b>  MAY 20 2010  NMOCD ARTESIA
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>West</u> line Section <u>12</u> Township <u>25S</u> Range <u>27E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3113'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: 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4/24/10 - Resumed drilling.

4/25/10 - TD 17-1/2" hole to 418' at 7:45 AM. Set 13-3/8" 48# H-40 ST&C 8rd casing at 418'. Cemented with 170 sx Class "C" + 4% D20 + 0.2% D46 + 2% S1 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 1% S1 (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 600 psi. WOC 24 hrs. Reduced hole to 12-1/4" and resumed drilling.

4/29/10 - TD 12-1/4" hole to 2240'. Set 9-5/8" 36# K-55 LT&C 8rd casing at 2240'. Cemented with 600 sx 35:65:6 Poz "C" + 0.125pps D130 + 6.0% D20 + 0.2% D46 + 5.0% D44 (yld 2.06, wt 12.6). Tailed in with 200 sx Class "C" + 0.2% D13 (yld 1.33, wt 14.8). Cement circulated to surface. Tested casing to 1200 psi. WOC 29 hrs. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

3/26/10

Rig Release Date:

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 May 18, 2010

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

For State Use Only

APPROVED BY: Donald Gray TITLE Field Supervisor DATE 6-1-2010

Conditions of Approval (if any):