

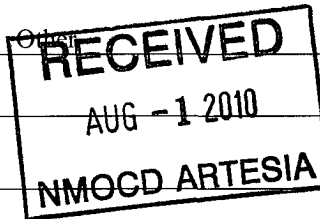
Submit 1 Copy To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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. 30-015-37549
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0693
7. Lease Name or Unit Agreement Name B. Graham BPU 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 ☐

2. Name of Operator  
Yates Petroleum Corporation

3. Address of Operator  
105 South Fourth Street, Artesia, NM 88210

4. Well Location  
Unit Letter M : 380 feet from the South line and 200 feet from the West line  
Unit Letter P : 380 feet from the South line and 330 feet from the East line  
Section 1 Township 26S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
2941'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: Set conductor, 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.

7/17/10 - Drilled to 40', set and cemented 40' of 20" conductor. Notified NMOC D-Artesia of operations via email at 1:00 PM.  
7/20/10 - Resumed drilling at 1:15 AM.  
7/21/10 - TD 17-1/2" hole to 396'. Set 13-3/8" 48# J-55 ST&C casing at 396'. Cemented with 175 sx Class "C" + 0.125#/sx D130 + 4% D20 + 2% S1 + 0.2% D46 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 0.125#/sx D130 + 0.5% S1 (yld 1.34, wt 14.8). Circulated 143 sx to pit. Tested casing to 600 psi for 30 min, ok. WOC 23 hrs 15 min. Reduced hole to 12-1/4" and resumed drilling.  
7/24/10 - TD 12-1/4" hole to 2570'. Set 9-5/8" 36# J-55 ST&C casing at 2570'. Cemented with 600 sx 35:65 Poz "C". Tailed in with 200 sx Class "C". Circulated 95 sx to pit. Tested casing to 1200 psi for 30 min. WOC 23 hrs. Reduced hole to 7-7/8" and resumed drilling.

Spud Date:

6/30/10

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 July 29, 2010

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

For State Use Only

APPROVED BY: David May TITLE Field Supr DATE 8-4-10

Conditions of Approval (if any):

OK