

October 13, 2009

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

Energy, Minerals and Natural Resources

RECEIVED

AUG 11 2010

NM OGD ARTESIA

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-37500

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Jericho BKJ State Com

8. Well Number

2H

9. OGRID Number

025575

10. Pool name or Wildcat

Undesignated; 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 : 660 feet from the North line and 330 feet from the East line
Section 15 Township 25S Range 27E NMPM Eddy County

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

3172'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: 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.

6/28/10 – TD pilot hole to 8500' at 6:00 PM.

6/30/10 – Set isolation plug from 6600'-6815' with 120 sx Class "H" with additives. Set kick off plug from 5380'-5880' with 300 sx Class "H" with additives. WOC. Tagged cement at 5569', slide to 5710' and started directionally drilling.

7/11/10 – Reached TD 8-3/4" hole to 10,495'.

7/13/10 – Set 5-1/2" 17# L-80 LT&C 8rd casing at 10,490'. Float collar at 10,444'. Cemented stage 1 with 700 sx PVL + 0.2% D112 + 30% D151 + 2% D174 + 0.01 GPS D177 + 0.2% D46 + 0.8% D800 + 0.5% D079 (yld 1.83, wt 13). Circulated 107 sx cement off DV tool. Cemented stage 2 with 680 sx 35:65:6 Poz "C" + 0.2% D13 + 0.125#/sx D130 + 0.01 GPS D177 + 6% D20 + 2#/sx D42 + 5% D44 + 0.2% D46 (yld 2.07, wt 12.6).

Spud Date:

2/1/10

Rig Release Date:

7/14/10

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

SIGNATURE

TITLE

Regulatory Compliance Supervisor

DATE

August 9, 2010

Type or print name

Tina Huerta

E-mail address:

tinah@yatespetroleum.com

PHONE:

575-748-4168

For State Use Only

APPROVED BY:

TITLE

Compliance Officer-A

DATE

8-11-10

Conditions of Approval (if any):