

State of New Mexico
Energy, Minerals and Natural Resources

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

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.)		WELL API NO. 30-015-36070
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No.
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Thurman Draw Unit
4. Well Location Unit Letter <u>C</u> : <u>1200</u> feet from the <u>North</u> line and <u>1850</u> feet from the <u>West</u> line Section <u>16</u> Township <u>26S</u> Range <u>23E</u> NMPM <u>Eddy</u> County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4341'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Wildcat; Mississippian (Gas)

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.

11/13/10- Reached TVD 8-3/4" hole to 9064'.

11/15/10 – Set 1st cement plug at 9000' with 55 sx Class "H" cement with additives. Set 2nd cement plug at 8845' with 60 sx Class "H" cement with additives. Set 3rd cement plug at 6200' with 65 sx Class "H" cement with additives. Set 4th cement plug (isolation plug) at 4913' with 120 sx Class "H" cement with additives. Set 5th cement plug (kickoff plug) at 3994' with 380 sx Class "H" cement with additives. Tagged cement at 3328'.

11/16/10 – TIH to dress cement. Circulated and WOC. Dress cement from 3328'-3580'.

11/17/10 – Pick up directional tools and gyro data and continued to drill directionally. NOTE: New BHL is 660'FSL & 1980'FWL.

11/21/10 – Reduced hole to 7-7/8" and resumed drilling directionally.

11/24/10 – Reached TMD 7-7/8" hole to 7268'.

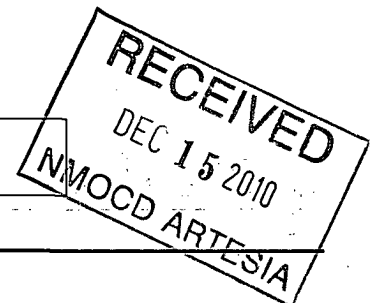
11/25/10 – Set 5-1/2" 17# L-80 LT&C casing at 7268'. Float collar at 7218'. DV tool at 1977'. Cemented with 625 sx PVL + 0.4% D112 + 30% D151 + 0.6% D174 + 0.2% D46 + 0.5% D79 + 0.2% DO-13 (yld 1.81, wt 13).

Spud Date:

7/27/10

Rig Release Date:

11/25/10



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 December 14, 2010

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

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Colt