

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

HOBBS, OGD

State of New Mexico
Energy, Minerals and Natural Resources

AUG 03 2011

RECEIVED

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

2nd Copy 7-29-11
Form C-103
October 13, 2009

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. 30-015-37126
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No V-3346
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Loving AIB State
4. Well Location Unit Letter <u>P</u> : <u>510</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>16</u> Township <u>23S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		8. Well Number 7
11. Elevation (Show whether DR, RKB, RT, GR, etc) 3031' GR		9. OGRID Number 025575
		10. Pool name or Wildcat Culebra Bluff, Bone Spring, South Loving, Brushy Canyon, East

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: Downhole commingle and %'s ☒

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.

5/11/11 - MIRU. Pumped 50 bbls 2% KCL down annulus. NU BOP. Swabbed fluid out of tubing.

5/12/11 - Strip rods and tubing out of well. Bailed sand from 6310'-6370', drilled and bailed CIBP at 6370'. TIH with bit to a depth of 6666'.

5/15/11 - Loaded annulus with 50 bbls 2% KCL. Loaded tubing with 20 bbls 2% KCL. ND BOP. 2-7/8" 6.4# J-55 tubing at 6560'.

WELL IS DOWNHOLE COMMINGLED BONE SPRING AND DELAWARE EFFECTIVE 5/11

DHC-4372

Culebra Bluff, Bone Spring, South
Loving, Brushy Canyon, East

Oil-5%
Oil-95%

Gas-54%
Gas-46%

Spud Date

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 25, 2011

Type or print name Tina Huerta E-mail address: tnah@yatespetroleum.com PHONE: 575-748-4168
For State Use Only

APPROVED BY:

Conditions of Approval (if any).

TITLE

PETROLEUM ENGINEER

DATE

AUG 03 2011