

Submit 3 Copies 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
May 27, 2004

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. 30-015-37849
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		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. VB-0669-001
3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Herradura Unit
4. Well Location Unit Letter <u>B</u> : <u>510</u> feet from the <u>South</u> line and <u>1930</u> feet from the <u>East</u> line Section <u>4</u> Township <u>24 S</u> Range <u>25 E</u> NMPM <u>Eddy</u> County <u>✓</u>		8. Well Number 3
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3734' GR		9. OGRID Number 025575
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

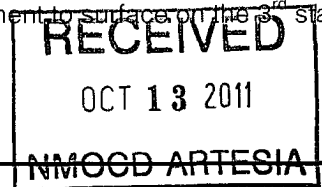
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation respectfully requests permission to run 7" casing to TD at 11,400'. The well was originally designed to run 7" casing to 9100', but formation integrity tests confirmed well bore would sustain a 10 ppg drilling fluid. Therefore the decision was made to run 7" 26# HCP 110 casing from surface to 2200', 7" 26# L-80 from 2200' to 6200' and then 7" 26 # HCP-110 from 6200' to TD at 11,400'.

Schlumberger will pump a 3 stage cement job as follows: from TD at 11,400' to DV tool at 7000' pump 650 sxs of PVL at a 13 ppg weight and a yield of 1.41 cu ft/sk; from the DV tool at 7000' to the Stage packer at 4000' pump 440 sxs of PVL at a 13 ppg weight and a yield of 1.41 cu ft/sk; and from the stage packer at 4000' to TOC at surface pump lead of 280 sxs of 35:65 Poz/C at a 12.6 ppg weight and a yield of 2.07 cu ft/sk and a tail of 100 sxs Class C with a weight of 14.8 ppg and a yield of 1.35 cu ft/sk. Volumes are calculated at hole volume plus 35% excess. Yates will circulate cement to surface on the 3rd stage in case a decision is made to cut a window and go horizontal in the future.

Thank-you,



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCB guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Terry Henderson TITLE Drilling Engineer DATE 10/3/11

Type or print name Terry Henderson E-mail address: thenderson@yatespetroleum.com Telephone No. 575-748-4502

For State Use Only
APPROVED BY: P. Shepard TITLE Geologist DATE OCT 14 2011
Conditions of Approval (if any):

HERRADURA UNIT # 3

Cement design attached

Production Casing

Drilled with an 8 3/4" hole to TD at 11,400' MD.

0 ft to 2,200 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	HCP-110	LT&C	6930	5200	8660	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
7,800	9,950 psi	693 ,000 #		830 ,000 #		6.151	

2,200 ft to 6,200 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	L-80	LT&C	5110	3830	6390	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
5,410	7,240 psi	511 ,000 #		604 ,000 #		6.151	

6,200 ft to 11,400 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	HCP-110	LT&C	6930	5200	8600	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
7,800	9,950 psi	693 ,000 #		830 ,000 #		6.151	

DV tool placement at 7,000' and stage packer and DV tool at 4,000'.

Stage 1: 650 sxs 13 ppg PVL with a yield of 1.41 cu ft/sk. TOC 6975', volume calculated on 35% annular excess.

Stage 2: 440 sxs 13 ppg PVL with a yield of 1.41 cu ft/sk. TOC 3956', volume calculated on 35% annular volume excess.

Stage 3: Lead 280 sxs 12.6 ppg 35:65 Poz C with a yield of 2.08 cu ft/sk. TOC 0', volume calculated on 35% annular volume excess.
Tail 100 sxs 14.8 Class C with a yield of 1.35 cu ft/sk. TOC 3336', volume calculated on 35% annular volume excess.

