

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-015-38223
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. VB-679
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Buho BQH State <input checked="" type="checkbox"/>
4. Well Location Unit Letter <u>A</u> : <u>480</u> feet from the <u>North</u> line and <u>75</u> feet from the <u>East</u> line Section <u>35</u> Township <u>26S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		8. Well Number 1H <input checked="" type="checkbox"/>
11. Elevation (Show whether DR, RKB, RT, GR, etc) 2997'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Hay Hollow; Bone Spring

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: 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.

9/14/11 – Resumed drilling at 7:00 AM. TD 17-1/2" hole to 420' at 10:15 PM.

9/15/11 – Set 13-3/8" 48# 8rd J-55 ST&C casing at 420'. Cemented with 175 sx Class "C" + 4% D020 + 0.2% D046 + 0.125#/sx D130 + 2% S001 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 0.2% D046 + 0.2% D065 + 0.125#/sx D130 + 1% S001 (yld 1.35, wt 14.8). Circulated 57 sx to pit. Tested casing to 600 psi for 30 min with no pressure loss. WOC 23 hrs. Reduced hole to 12-1/4" and resumed drilling.

9/18/11 – TD 12-1/4" hole to 2630' at 9:15 AM. Set 9-5/8" 36# K-55 LT&C casing at 2630'. Cemented with 700 sx Class "C" + 0.125#/sx D130 + 4% D20 + 94#/sx D903 + 2% S1 + 0.2% D46 (yld 1.95, wt 12.9). Tailed in with 180 sx Class "C" + 94#/sx D903 + 0.2% D46 + 0.2% D201 (yld 1.33, wt 14.8). Circulated 230 sx to pit. Tested casing to 1200 psi for 30 min with no pressure loss. WOC 23 hrs 45 min. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

8/10/11

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 September 22, 2011

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

For State Use Only

APPROVED BY: T. L. Shepard TITLE Geologist DATE OCT 13 2011

Conditions of Approval (if any):