

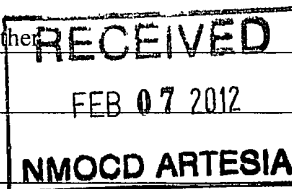
Submit 1 Copy To Appropriate District Office.  
District I  
1625 N French Dr , Hobbs, NM 88240  
District II  
1301 W Grand Ave , Artesia, NM 88210  
District III  
1000 Rio Brazos Rd , Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr , Santa Fe, NM 87505

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

WELL API NO. 30-015-37849
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0669-001
7. Lease Name or Unit Agreement Name Herradura Unit
8. Well Number 3
9. OGRID Number 025575
10. Pool name or Wildcat Carlsbad; Morrow, South



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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>B</u> : <u>510</u> feet from the <u>North</u> line and <u>1930</u> feet from the <u>East</u> line Section <u>4</u> Township <u>24S</u> Range <u>25E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3734'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. Completion Operations ☒

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.

10/23/11 – Tagged up at 3995'. Drilled down to DV tool at 4012', fell through. Circulated hole clean. Pressure-tested to 2000 psi, held good for 10 min. Tagged 2<sup>nd</sup> DV tool at 7012', fell through. Circulated hole clean.  
10/24/11 – Pressure tested casing to 2000 psi, held good. TIH with bit to TD picking up 2-7/8" tubing, tagged up at 11,224'. Drilled 19' cement to float collar. Circulated hole clean. Pickled tubing with 1000g 15% HCL and displaced hole with 7% KCL water.  
10/25/11 – TIH to clean up DV tools at 4009' and 7012'. TIH with CBL/GR/CC tools to TD. Pressured casing to 1500 psi. Logged well to surface. Est TOC at 70'.  
10/26/11 – Perforated Morrow 11,140'-11,146' (37), 11,150'-11,154' (25) and 11,216'-11,220' (25). Acidized with 2000g 7-1/2% Morrow acid.  
10/31/11 – TIH with GR/JP to 11,120'. Set a 10K alpha CIBP at 11,110'. Tested to 1500 psi, held good. Made 1 run of cement for 14' total on CIBP.  
11/1/11 – Perforated Morrow 10,960'-11,072' (99). Acidized with 2000g 7-1/2% Morrow acid.

**CONTINUED ON NEXT PAGE:**

Spud Date: 6/1/10 Rig Release Date: 10/18/11

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 February 6, 2012

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

APPROVED BY: [Signature] TITLE Dist. H. Sepulveda DATE 2/27/2012  
Conditions of Approval (if any):

**Form C-103 continued:**

11/7/11 – Set a 10K alpha CIBP at 10,950'. Loaded casing and tested CIBP to 1500 psi, held good. Perforated Morrow 10,904'-10,910' (37) and 10,920'-10,924' (25).

11/8/11 - Pressured casing to 1500 psi. Acidized with 1500g 7-1/2% Morrow acid dropping 100 ball sealers.

11/13/11 – Perforated Morrow 10,820'-10,828' (66).

11/15/11 - Acidized Morrow 10,820'-10,828' and 10,904'-10,924' with 2500g 7-1/2% MSA acid with 2000 SCF/bbl nitrogen. Dropped 60 balls, 10,000 SCF Nitrogen pad, commingled acid and nitrogen.

11/16/11 - Set an RBP at 10,875'. Tested to 1500 psi, good. Tested casing to 1500 psi, good.

11/20/11 - Acidized Morrow 10,820'-10,828' with 1500g 7-1/2% Morrow acid.

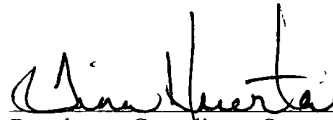
11/27/11 – Released RBP.

11/30/11 – Loaded casing with 25 bbls. Tested casing to 1500 psi, good.

1/12/12 – Frac Morrow 10,820'-10,828' and 10,904'-10,924' with 40# CMHPG gel with 65Q CO<sub>2</sub>, prop total 42,406# 20/40 Econo-Prop, 173 tons CO<sub>2</sub>.

1/25/12 – Loaded tubing with 93 bbls 7% KCL water.

1/26/12 – Tested casing to 1000 psi. Took 10 bbls to load with 7% KCL water. 2-7/8" 6.4# L-80 tubing and AS-1 packer at 10,562'.



Regulatory Compliance Supervisor  
February 6, 2012