

Submit 1 Copy To Appropriate District Office  
District I – (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II – (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III – (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV – (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
**RECEIVED**  
MAY 10 2012  
NMOCD ARTESIA

Form C-103  
Revised August 1, 2011

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. 30-015-25630
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 type="checkbox"/> FEE <input checked="" 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 Molly QD Com
4. Well Location Unit Letter <u>P</u> : <u>660</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>13</u> Township <u>19S</u> Range <u>24E</u> NMPM Eddy County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3601'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Dagger Draw; Upper Penn, North

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: ☐

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.

3/21/12 – Pumped 11 bbls to kill well. Casing loaded up. NU BOP. Tried to release TAC, could not get it loose. ND BOP.  
3/25/12 – Pumped 23 bbls fresh water. Began circulating out 8-5/8" x 5-1/2" casing. Pressured casing to 500 psi. NU BOP. Pumped 60 bbls and was on screening vacuum. Attempted to release TAC again with no luck.  
3/26/12 – Found top of TAC at 7618'. Shot 4 holes at 7598'. Casing had only slight vac. Pumped 20 bbls down casing and had strong blow coming out of intermediate but once we had 30 bbls gone it was on strong vacuum as if holes were plugged and washed out. Cut tubing at 7603', did not cut all the way. Worked tubing and got cut to break. Tubing hung up several times while coming out of hole and also went down hole with 30 stands left to pull and tubing stacked out.  
3/27/12 – Picked up 5-1/2" casing spear to make sure could get slips out of wellhead. Speared casing and pulled casing up to next casing collar to remove slips.  
3/28/12 – Began cold cutting casing and laying it down. Laid down 13 jts and cut surface jt. Tagged top of casing at 558'.  
3/29/12 – ND BOP. Tagged at 558'. Tagged up on 5-1/2" casing. Rotated pipe 1/2 round and fell in.

**CONTINUED ON NEXT PAGE:**

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 Reporting Supervisor DATE May 9, 2012

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

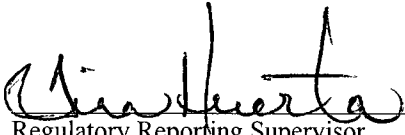
**For State Use Only**

APPROVED BY: RR Dade TITLE Dist. H. Supervisor DATE 05/25/12

Conditions of Approval (if any):

**Form C-103 continued:**

3/30/12 – Showed casing had shifted and possible 8-5/8" casing has hole or parted.  
4/2/12 – TIH to top of 5-1/2" casing at 564'. Was collapsed and shifted to high side of casing. Ran camera beside 5-1/2" x 8-5/8" casing, went down to 567' and found bull nose from internal casing cutter.  
4/3/12 – Milled down to 561-1/2' for a total of 3-1/2' milled for day.  
4/4/12 – Tagged up at 561-1/2'. 5-1/2" casing plugged off and well began to circulate. Circulated hole clean. Tagged at 562'. Worked tubing and made 5' hole down to 567'. Would not go down anymore.  
4/5/12 – Found top of 5-1/2" casing, stub looked good. Split on 1 side with lateral split about 6" down from top. Ran camera inside 5-1/2" casing down to 580'. Found piece of casing wedged inside and split down to that point. Tagged up at 565'. Rotate tubing and fell inside 5-1/2", went down to 570'. Tagged up on piece of casing. Rotate tubing with tongs. Piece of casing came loose. Pushed down to 909'. TIH with 4-1/2" OD inside cutter to 616', made cut. Could not get inside casing. Worked tubing for 30 min and finally fell in 5-1/2" casing. Speared casing but cutter did not cut casing. Worked casing up and down for 30 min but would not break.  
4/8/12 – Picked up casing cutter, TIH to 618' and made cut on casing. Latched up to 5-1/2" casing and pulled into grapple. Cut off casing with tubing cutters. Set RBP. Speared casing. Pulled 60K. Set slips and made cut off. Installed seals. Pressure tested to 2000 psi, good. Released RBP.  
4/9/12 – Began pushing piece of casing down. Pushed down to 7097'. Would not go down anymore.  
4/10/12 – Tagged up at 7097'. RU new swivel and began milling. Well began circulating. Milled for 15 min and piece of casing fell down hole. Began getting cuttings out of well.  
4/11/12 – TIH with tubing and SN to 7357'. ND BOP.

  
Regulatory Reporting Supervisor  
May 9, 2012

PT Failed 3/25  
Retest After Fix