

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

2nd copy 6-7-12 XL  
Form C-103  
Revised August 1, 2011

WELL API NO 30-015-39735	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6 State Oil & Gas Lease No. VA-2974	
7 Lease Name or Unit Agreement Name Canyon BJK State Com	
8. Well Number 2H	
9. OGRID Number 025575	
10. Pool name or Wildcat Nash Draw, Delaware-Bone Spring Avalon Sand	
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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2 Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter O : 455 feet from the South line and 2310 feet from the East line Unit Letter O : 430 feet from the South line and 2310 feet from the East line Section-Surf 6 Township 25S Range 30E NMPM Eddy County Section-BHL 1 Township 25S Range 29E NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3189'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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER. Production 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.

3/28/12 - TD 8-3/4" pilot hole to 9700'.

3/30/12 - Set isolation plug at 9677'-9248' with 186 sx Class "H" cement with additives. No cement to surface Set kick off plug at 9097'-8302' with 380 sx Class "H" cement with additives No cement to surface. Tagged cement plug at 8235'. Drilled plug to 8765'. Orient tool face and work through 8765'-8775'. Time drill off plug 8775'-8776'. Continued to drill directionally. KOP at 8807'.

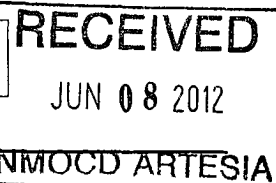
4/2/12 - Drilled to 9488' and reduced hole to 8-1/2" and continued to drill directionally.

4/8/12 - Reached TD 8-1/2" hole to 14,334' at 11:30 PM.

4/10/12 - Set 5-1/2" 17# HCP-110 LT&C casing at 14,334'. DV tool/stage tool at 8493'. Float collar at 14,244'. Cemented stage 1 with 1025 sx PVL + 0.5% D112 + 30% D151 + 1.5% D174 + 0.1% D208 + 75#/sx D49 + 0.8% D800 + 0.2% D46 (yld 1.82, wt 13). Circulated 56 sx to pit. Cemented stage 2 with 550 sx 36:65 Poz "H" + 5% D020 + 0.2% D046 + 0.125#/sx D130 + 0.05% D208 + 5% D044 + 0.2% D201 (yld 2.11, wt 12.6). Tailed in with 200 sx 50:50 Poz "H" + 2% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.5% D065 + 0.125#/sx D130 + 2% D174 + 0.45% D207 + 0.1% D800 (yld 1.36, wt 14.4).

Spud Date: 3/3/12

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 10, 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 R Supervisor DATE 6/26/12

Conditions of Approval (if any):