

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

Energy, Minerals and Natural Resources

Revised August 1, 2011

RECEIVED

JUL 19 2013

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-22002

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

K-5115

7. Lease Name or Unit Agreement Name

Stonewall EP State 12801

8. Well Number

2

9. OGRID Number

025575

10. Pool name or Wildcat

Penlon; Bone Spring, East 96213

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 ☒ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter N : 660 feet from the South line and 1980 feet from the West line

Section 19 Township 20S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3300'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: Plugback and recomple ☒

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.

6/6/13 - MIRU. Had 150 psi on tubing, 400 psi on casing. Bled down casing - all gas. Took 6 bbls to load casing. Pressure tested to 500 psi for 10 min, held good. Tubing unloaded 26 bbls fluid, pumped 30 bbls fresh water down tubing. NU BOP.

6/9/13 - Tagged up at 10,340'. Released RBP.

6/10/13 - Made 4.5" GR run down to 10,420'. Set a CIBP at 10,390' with 35' cement on top. Set a 2nd CIBP at 10,176' with 35' cement on top. Perforated 6 squeeze holes at 8768'. Pumped down tubing and circulated out 5-1/2" x 8-5/8" intermediate casing. Took 150 bbls to break circulation. Circulated 400 bbls total at 2.5 BPM @ 400 psi.

6/11/13 - Set a cement retainer at 8718'. Apply 500 psi on 5-1/2" x 2-7/8". Pumped 20 bbls fresh water down tubing. Broke circulation thru 5-1/2" x 8-5/8" casing. Pumped 175 sx 35:65 Poz Class "H" cement followed by 575 sx Class "H" cement. Displaced with 48 bbls fresh water. Sting out and reverse circulated 75 bbls fresh water.

6/13/13 - Apply 1000 psi to casing. Logged from 8900' to surface. Perforated Bone Spring 6274'-6360' (38).

6/16/13 - ND BOP. Circulated 100 bbls packer fluid down casing. Tested casing to 1000 psi for 30 min, held good.

6/24/13 - Apply 1000 psi 3-1/2" x 5-1/2" annulus. Frac with 225,540# 20/40 Ottawa and Super LC resin coated sand.

6/27/13 - Tagged PBTD at 8535', 2175' below bottom perf at 6360'. Released packer. 2-7/8" 6.4# N-80 tubing at 6175'.

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 July 17, 2013Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: LR Wade TITLE Dist. Rep. Supervisor DATE July 22, 2013

Conditions of Approval (if any):