

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

RECEIVED JUL 29 2013 CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 NMOC D ARTESIA

WELL API NO. 30-015-32027
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. V-2597

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 [X] 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 L : 2310 feet from the South line and 330 feet from the West line Section 2 Township 22S Range 31E NMPM Eddy County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3513'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 [X] ALTERING CASING []
COMMENCE DRILLING OPNS [] P AND A []
CASING/CEMENT JOB []

OTHER: []

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.

6/12/13 - NU BOP.
6/13/13 - Pumped 40 bbls fresh water down annulus. TIH to a depth of 8165'. Tagged fill.
6/16/13 - Set an RBP at 6760'. Set packer above RBP. Pumped 50 bbls. Released RBP, reset and pump another 20 bbls. Well began to circulate. Released packer and tested all casing to 500 psi, lost all pressure in 18 min. Test tubing, blew another hole in pipe in first 30 stands.
6/17/13 - Set packer at 5385'. Tested casing to RBP at 6760', held good. Had 1000 psi for 10 min. Bled down well. Pulled up to 5252', pressure tested casing - pressure up to 1000 psi. Lost 700 psi in 2 min. Pressure tested down tubing and casing from 5252' to RBP at 6760', held good. Had 1000 psi for 10 min. Pulled up to 4922', pressure tested casing to 1000 psi, held good for 10 min. Bled down well.
6/18/13 - Opened up well, had no pressure. Tagged up at 6758'. Washed down 10" to RBP. Tried to release, had to work RBP.
6/19/13 - Opened up well, had no pressure. Tagged up at 5252'. Worked overshot thru with tongs. Fell out at 5286'. Tagged up on RBP at 6755'. Washed down to 6760', saw formation rock in returns. Had to work RBP, released. Packer was dragging for 30 stands. TOH.
6/20/13 - Opened up well, had no pressure. Isolate holes in casing. Lower hole at 5187'-5220'. Injection rate 1 BPM at 1200 psi. Upper hole at 4922'-5087'. Injection rate thru both sets of holes is 2 BPM at 1500 psi. Set RBP at 5943'. Spotted 100# sand on RBP. TOH lay down packer. TIH with 2-7/8" 6.5# L-80 tubing to 4890'. ND BOP.

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 18, 2013

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

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APPROVED BY: [Signature] TITLE: Dist R Supervisor DATE: 7/31/13

Conditions of Approval (if any):