

Submit 3 Copies 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
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-36315
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Tombstone BMB State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Pierce Crossing; Bone Spring, East

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	JUL 10 2008
3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210	OCD-ARTESIA
4. Well Location Unit Letter D : 660 feet from the North line and 330 feet from the West line Section 12 Township 25S Range 29E NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3085'GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
CASING/CEMENT JOB ☐

OTHER: Intermediate 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/17/08 – 6/26/08 - Lost circulation. TIH and picked up 15 joints of drill pipe to casing shoe at 624'. Pumped cement plug. Loss area 719'-740' – 49 bbls Class "C" + 2% S1. Let plug stand. Try to fill hole, taking 200 bbls/hr. Tagged at 721'. TOO H to casing shoe at 624'. Pumped cement plug – 34 bbls Class "C" + 2% S1 + 50# cement. Let cement plug stand and TOO H. Tagged cement at 576'. Drilled cement from 576'-609'. Cement still green. Circulated hole clean. WOC. Drilled cement plug 609'-713' and check loss. Set a cement retainer at 569'. Stage squeeze cement job, 60 sx "C" + 2% CaCl, 30 sx "C" + 2% CaCl, 30 sx "C" + 2% CaCl, 30 sx "C" + 2% CaCl, last stage would not pump. Speared out of retainer, max pressure on final stage 3100# Plus. Cleared out drill pipe and circulated out. Drilled cement plugs. WOC. Tag cement at 536'. Drilled cement off top of cement retainer, good cement. WOC. Drilled on cement retainer. Drilled cement plugs. Drilled cement retainer. Reamed out cement in casing.
6/27/08 – Set 8-5/8" 24#, 32# J-55 casing at 3180'. Cemented stage 1 with 660 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 6% D20 + 4#/sx D24 + 1% S1 (yld 1.97, wt 12.6). Tailed in with 200 sx Class "C" + 0.1% D13 (yld 1.32, wt 14.8). Cemented stage 2 with 115 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 6% D20 + 1% S1 (yld 1.97, wt 12.6). Tailed in with 100 sx Class "C" + 2% S1 (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 1000 psi for 30 min. WOC 37 hr 10 min. Reduced hole to 7-7/8" and resumed drilling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE July 9, 2008

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 575-748-1471

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Accepted for record - NMOCD