

Submit 1 Copy 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  
October 13, 2009

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

|   |  |   |
|---|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.<br>30-015-37942  |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>  |  | 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator<br>Yates Petroleum Corporation  |  | 6. State Oil & Gas Lease No.<br>V-7653, V-7639 & VO-7654  |
| 3. Address of Operator<br>105 South Fourth Street, Artesia, NM 88210  |  | 7. Lease Name or Unit Agreement Name<br>Chamaeleon BIN State Com                                    |
| 4. Well Location<br>Surface B : 200 feet from the North line and 1780 feet from the East line<br>BHL Lot 2 : 330 feet from the South Line and 1980 feet from the East line<br>Surf - Section 25 Township 26S Range 27E NMPM Eddy County<br>BHL - Section 36 Township 26S Range 27E NMPM Eddy County |  | 8. Well Number<br>1H  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>3106'GR   |  | 9. OGRID Number<br>025575   |
|   |  | 10. Pool name or Wildcat<br>Hay Hallow; Bone Spring   |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

|  |   |  |  |
|--|---|--|--|
| <b>NOTICE OF INTENTION TO:</b>                 |   | <b>SUBSEQUENT REPORT OF:</b>   |  |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/>   | CHANGE PLANS <input type="checkbox"/>     | COMMENCE DRILLING OPNS. <input type="checkbox"/>                                 | P AND A <input type="checkbox"/>         |
| PULL OR ALTER CASING <input type="checkbox"/>  | MULTIPLE COMPL <input type="checkbox"/>   | CASING/CEMENT JOB <input type="checkbox"/>                                       |  |
| DOWNHOLE COMMINGLE <input type="checkbox"/>    |   |  |  |
| OTHER: <input type="checkbox"/>                |   | OTHER: Spud, surface and intermediate casing <input checked="" type="checkbox"/> |  |

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.

10/20/10 - Spudded 26" hole at 11:30 AM. Set 90' of 20" conductor and cemented with redi-mix to surface.

10/24/10 - Resumed drilling at 8:15 PM.

10/25/10 - TD 17-1/2" hole to 400' at 5:45 AM. Set 13-3/8" 48# J-55 ST&C casing at 400'. Cemented with 175 sx Class "C" + 0.125#/sx D130 + 3.76#/sx D20 + 94#/sx D903 + 1.88#/sx S1 + 0.188#/sx D46 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 0.125#/sx D130 + 94#/sx D903 (yld 1.33, wt 14.8). Circulated 48 sx to pit. Tested casing to 600 psi for 30 min. WOC 28 hrs. Reduced hole to 12-1/4" and resumed drilling.

10/27/10 - TD 12-1/4" hole to 2170' at 8:00 PM. Set 9-5/8" 36# K-55 LT&C casing at 2170'. Cemented with 510 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 27.65#/sx D132 + 5.325#/sx D20 + 4.78#/sx D44 + 61.1#/sx D903 + 0.178#/sx D46 + 2#/sx D42 (yld 2.07, wt 12.6). Tailed in with 200 sx Class "C" + 94#/sx D903 (yld 1.33, wt 14.8). Circulated 203 sx to pit. Tested casing to 1500 psi. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

Rig Release Date:

RECEIVED

NOV 03 2010

NMOCD ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE November 1, 2010

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

For State Use Only

APPROVED BY: Donald Gray TITLE Field Supervisor DATE 11-12-10

Conditions of Approval (if any):