

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

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.)		WELL API NO. 30-015-37126
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. V-3346
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Loving AIB State
4. Well Location Unit Letter <u>P</u> : <u>510</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>16</u> Township <u>23S</u> Range <u>28E</u> NMPM Eddy County		8. Well Number 7
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3031'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Culebra Bluff; Bone Spring, South

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: ☐

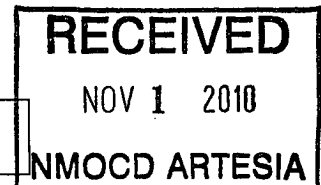
OTHER: Completion Operations ☒

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.

9/12/10 – Tagged DV tool at 4206'. Drilled out DV tool. Tested casing to 2000 psi for 30 min, good.
9/13/10 – Tagged float collar at 7538'.
9/14/10 – Ran GR/CCL/CBL from 7565' to 1600'. Perforated Bone Spring 6934'-6942' (9), 6878'-6888' (11), 6840'-6860' (21) and 6804'-6814' (11). Tested casing to 1000 psi, good.
9/15/10 – Acidized with 2500g 7-1/2% HCL acid, dropped 100 balls with 80 balls on ballout.
9/17/10 – Frac using YF130ST, 25,000# 40/70 Jordan-Unimin, 58,420# 20/40 Jordan-Unimin, 51,780# 20/40 Super LC.
10/11/10 – NU BOP. Perforated Bone Spring 6430'-6446' (17), 6474'-6500' (27) and 6514'-6530' (17).
10/12/10 – Acidized with 2500g 7-1/2% IC HCL acid and 100 balls.
10/13/10 – Set a CIBP with 45' cement on top at 6754'. ND BOP.
10/17/10 – Frac with 135,550g slickwater and 30# x-linked gel, 26,940# 40/70, 83,100# 20/30 white sand, 23,900# 20/40 RCS. 2-7/8" 6.5# L-80 tubing at 6595'.

Spud Date: 8/9/10

Rig Release Date: 8/25/10



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 October 28, 2010

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

For State Use Only

APPROVED BY: David L. Gray TITLE Field Supervisor DATE 11-3-10
Conditions of Approval (if any):