

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

October 13, 2009

<p align="center"><b>SUNDRY NOTICES AND REPORTS ON WELLS</b></p> <p>(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.)</p>		<p>WELL API NO. 30-015-38565</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil &amp; Gas Lease No. VO-4567</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Rudolph ATX State Com</p>
<p>4. Well Location Surface N : 330 feet from the South line and 2280 feet from the West line BHL C : 330 feet from the North Line and 1980 feet from the West line Section 16 Township 19S Range 31E NMPM Eddy County</p>		<p>8. Well Number 4H</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3497'GR</p>		<p>9. OGRID Number 025575</p>
<p>10. Pool name or Wildcat Lusk; Bone Spring, West</p>		

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: Surface and 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

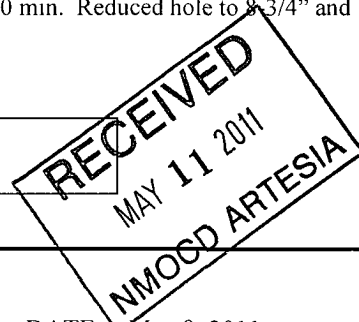
4/20/11 – Resumed drilling at 12:45 PM.

4/21/11 – TD 17-1/2" hole to 455'. Set 13-3/8" 48# J-55 ST&C casing at 455'. Cemented with 200 sx Class "C" + 0.125#/sx D130 + 4% D20 + 0.2% D46 + 2% S1 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 0.125#/sx D130 (yld 1.33, wt 14.8). Circulated 185 sx to pit. NOTE: cement fell back 5' from bottom of cellar. Tested casing to 600 psi for 30 min, Ok. WOC 19 hrs. Reduced hole to 12-1/4" and resumed drilling. 4/28/11 – TD 12-1/4" hole to 4290'. Set 9-5/8" 36#, 40# K-55 8rd LT&C casing at 3950'. DV tool/stage tool at 2119'. Cemented stage 1 with 506 sx Class "C" + 0.125#/sx D130 + 4% D020 + 2% S001 (yld 1.97, wt 12.9). Tailed in with 101 sx Class "C" + 0.1% D201 (yld 1.33, wt 14.8). Cemented stage 2 with 862 sx Class "C" + 0.125#/sx D130 + 4% D020 + 2% S001 (yld 1.97, wt 12.9). Tailed in with 201 sx Class "C" + 0.1% D201 (yld 1.33, wt 14.8). Cement did not circulate. Ran temperature survey and found TOC at 400'. Ran 1" cement to surface with 110 sx Class "C" with 2% CaCl2. Circulated 15 sx to surface. Tested casing to 1500 psi for 30 min, Ok. TIH and tagged cement at 2110'. Drilled cement to 2118'. Tagged and drilled out DV tool. Tested casing to 1500 psi for 30 min, Ok. WOC 57 hrs 50 min. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

4/16/11

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 Compliance Supervisor DATE May 9, 2011

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

**For State Use Only**

APPROVED BY: David Gray TITLE Field Supv. DATE MAY 26 2011

Conditions of Approval (if any):