

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

| |
|---|
| WELL API NO. 30-015-27789 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Rio Penasco RT |
| 8. Well No. 2 |
| 9. Pool name or Wildcat Penasco Wolfcamp |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3495' GR |

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 |
| 3. Address of Operator 105 South 4th St., Artesia, NM 88210 (505) 748-1471 |

| |
|--|
| 4. Well Location Unit Letter K : 1980 Feet From The South Line and 1980 Feet From The West Line Section 34 Township 18S Range 25E NMPM Eddy County |
|--|

| | |
|---|--|
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data | |
| NOTICE OF INTENTION TO: | SUBSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> |
| OTHER: <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| | CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/> |
| | OTHER: Set Surface Casing <input checked="" type="checkbox"/> |

12. 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.
Spudded 26" hole 4:30 PM 2-2-94. Set 40' of 20" conductor pipe. Redi-mix to surface. Notified NMOCD, Artesia, NM, of spud time. Resumed drilling 17-1/2" hole 7:00 AM 2-4-94. Ran 12 joints 13-3/8" 48# J-55 casing set at 490'. Guide shoe set 490', insert float set 448'. Cemented w/100 sx Class "H" + 12% Thixad + 10#/sx Gilsonite + 1/2#/sx Celloseal + 2% CaCl2 (yield 1.55, wt 14.5) and 225 sx PSL "C" + 10#/sx Gilsonite + 1/2#/sx Celloseal + 3% CaCl2 (yield 2.02, wt 12.4). Tailed in w/200 sx Class "C" Neat + 2% CaCl2 (yield 1.34, wt 14.8). PD 5:38 PM 2-4-94. Bumped plug to 700 psi, held OK. Circulated 150 sacks to pit. WOC. Drilled out 11:45 AM 2-5-94. WOC 18 hrs and 5 mins. Cut off and weld on flow nipple. Reduced hole to 12-1/4" and resumed drilling.

NOTE: Lost returns at 770'.

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 2-9-94
TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

FEB 18 1994