

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

WELL API NO.
30-015-37849

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
VB-0669-001

7. Lease Name or Unit Agreement Name
Herradura Unit ✓

8. Well Number
3 ✓

9. OGRID Number
025575 ✓

10. Pool name or Wildcat
Wildcat; Morrow

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 ☐ Gas Well ☒ Other

2. Name of Operator
Yates Petroleum Corporation ✓

3. Address of Operator
105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter B : 510 feet from the North line and 1930 feet from the East line
Section 4 Township 24S Range 25E NMPM Eddy County ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3734'GR

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Set conductor and surface 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.

9/4/11 – Existing hole was enlarged to 26" after which 40' of 20" conductor was set and cemented in place with 20 sx redi-mix cement.

9/7/11 – Resumed drilling at 10:30 PM.

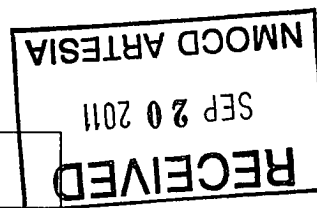
9/9/11 – TD 17-1/2" hole to 462'. Set 13-3/8" 48# J-55 ST&C casing at 462'. Cemented with 200 sx RFC + 1% S1 + 10% D153 (yld 1.61, wt 14.2) and 200 sx Class "C" + 0.125% D130 + 2% S1 + 0.2% D46 + 4% D020 + 3#/sx D42 (yld 1.99, wt 12.9). Tailed in with 180 sx Class "C" + 0.125#/sx D130 + 0.02 GPS D177 + 1% D606 + 1% S1 + 0.2% D46 + 3#/sx D042 + 0.2% D065 (yld 1.34, wt 14.8). Cement did not circulate. Ran temperature survey TOC at 250'. TIH with 1" and tagged at 240'. Cemented with 84 sx Class "C" + 2% CaCl (yld 1.34, wt 14.8). WOC. TIH with 1" and tagged at 134'. Cemented with 100 sx Class "C" + 2% CaCl (yld 1.34, wt 14.8). WOC. TIH with 1" and tagged at 58'. Cemented with 30 sx Class "C" + 2% CaCl (yld 1.34, wt 14.8). WOC 39 hrs 30 min. Reduced hole to 12-1/4" and resumed drilling.

Well name changed to Herradura Unit #3

Spud Date:

6/1/10

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 September 16, 2011

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 10-4-11

Conditions of Approval (if any):

gfb