

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. <input checked="" type="checkbox"/> 30-015-37555
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-7290
7. Lease Name or Unit Agreement Name Cheroot BPF State Com
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat; Bone Spring (978116)

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 G-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
Surface P : 660 feet from the South line and 330 feet from the East line
BHL M : 698 feet from the South line and 358 feet from the West line
Section 3 Township 25S Range 27E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3191' 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: Workover ☒

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.

11/2/11 - Opened up well. Had 560 psi. Blew down well. Flowed for 5 min and died. Took 8 bbls to load tubing. Began to pressure up and then broke back at 1500 psi. Continued pumping and continued to break back as if sand was moving down hole, was 10 bbls from having tubing volume pumped when pressured up to 4000 psi and was bleeding off very slowly. Bled pressure down and well died.

11/3/11 - Tagged up at 7218'. Put 12,000# down, pulled up to 18,000# and did not catch anything.

11/4/11 - Tagged up at 7218'. Pulled up to 18,000# and did not have anything on fish. Pulled up 50'. Kicked in pump and let roll over. Motor torqued up, kicked pump out.

11/10/11 - Perforated 1-5/8" hole at 7180' inside 2-7/8" tubing. Tubing collar at 7188'. Circulated down the annulus through single perforation at 7180' and out of tubing with 160 bbls 10# brine. TIH with 2.17" wireline set CIBP and set at 7170'. Tested CIBP to 1000 psi, held good NU BOP. Released packer at 7600'. Pumped 50 bbls brine down annulus at 1.5 BPM at 400 psi.

11/13/11 - Pumped 15 bbls brine to load annulus Pressured up to 800 psi. Pressure dropped to 600 psi slowly Pumped 5 bbls down annulus from 600 to 800 psi. Worked packer until free. Pressure increased on annulus to 200 psi.

11/14/11 - Pumped 200 bbls brine down annulus. No sinker bar or sandline present in 2-7/8" tubing below CIBP which was set in tubing 400' above packer. Sinker bar and sandline dropped out of tubing and should be laying in 5-1/2" casing just below curve or in curve.

11/15/11 - Pumped 200 bbls brine down annulus. Tagged at 8150'. Caught an estimated 550' of sandline, sinker bar and jars.

11/16/11 - Pumped 50 bbls brine down 5-1/2" casing. ND BOP. 5-1/2" 17# packer at 7606' and 2-7/8" L-80 tubing at 7669'.

Spud Date: 2/1/10

Rig Release Date: 5/23/11

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: December 7, 2011

Type or print name: Tina Huerta E-mail address: tina@yatespetroleum.com PHONE: 575-748-4168
For State Use Only

APPROVED BY: T. Shepard TITLE: Geologist DATE: DEC 09 2011
Conditions of Approval (if any):