

Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
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

Form C-103
Revised August 1, 2011

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. 30-015-39735
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. VA-2974
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Canyon BJK State Com
4. Well Location Unit Letter <u>O</u> : <u>455</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>East</u> line Unit Letter <u>O</u> : <u>430</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>East</u> line Section-Surf <u>6</u> Township <u>25S</u> Range <u>30E</u> NMPM <u>Eddy</u> County Section-BHL <u>1</u> Township <u>25S</u> Range <u>29E</u> NMPM <u>Eddy</u> County		8. Well Number 9. OGRID Number 025575 10. Pool name or Wildcat Nash Draw; Delaware-Bone Spring Avalon Sand
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3189'GR		

12. 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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Surface and intermediate casing <input checked="" type="checkbox"/>	

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.

3/17/12 – Resumed drilling at 3:30 AM. TD 17-1/2" hole to 674'. Set 13-3/8" 48# J-55 ST&C casing at 674'. Cemented with 720 sx Class "C" + 0.2% D046 + 0.125#/sx D130 + 94#/sx D903 + 3#/sx D042 (yld 1.34). Circulated 272 sx to 1/2 round. Tested casing to 600 psi for 30 min. WOC 29 hrs 15 min. Reduced hole to 12-1/4" and resumed drilling.

3/23/12 – TD 12-1/4" hole to 4885'. Set 9-5/8" 36#, 40# HCK-55 K-55 LT&C casing at 4885'. Cemented with 1230 sx Class "C" + 0.125#/sx D130 + 4% D20 + 94#/sx D903 + 1% S1 + 0.2% D46 + 3#/sx D42 (yld 1.97, wt 12.9). Tailed in with 360 sx Class "C" + 0.125#/sx D130 + 0.02g D177 + 94#/sx D903 + 0.2% D46 + 3#/sx D42 + 0.3% D201 + 0.1% D65 (yld 1.35, wt 14.8). Circulated 245 sx to pit. Tested casing to 1200 psi for 30 min with no pressure lost. WOC 41 hrs 45 min. Reduced hole to 8-3/4" and resumed drilling.

Spud Date: 3/3/12

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 Reporting Supervisor DATE April 19, 2012

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

APPROVED BY: BL Dade TITLE Dist R Supervisor DATE 04/24/12
Conditions of Approval (if any):