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

WELL API NO.
30-015-39673

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
VB-1077

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)

7. Lease Name or Unit Agreement Name
Steelers BRS State

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number
1H

2. Name of Operator
Yates Petroleum Corporation

9. OGRID Number
N/A

3. Address of Operator
105 S. 4th Street, Artesia, NM 88210

10. Pool name or Wildcat
Undesignated Bone Springs

4. Well Location
Unit Letter P : 660 feet from the South line and 200 feet from the East line
Section 24 Township 20S Range 27E NMPM County Eddy

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3341' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☒	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
OTHER:	☐			OTHER:	☐		

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.

Yates Petroleum Corporation respectfully requests permission to make the following changes:
Surface setting depth at 400'
Production hole sizes and depth's: 8 ¾" hole from 4850' to 6617' and 8 ½" hole from 6617' to 10887'
Production casing will be 17# P-110 from surface to TD.
Attached is the drilling prognosis report.

RECEIVED
MAY 17 2012
NMOCD ARTESIA

Spud Date: 5-21-12 Rig Release Date: 5-21-13

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

SIGNATURE _____ TITLE Well Planner DATE 05-17-2012
Type or print name Troy M. Peterson E-mail address: tpeterson@yatespetroleum.com PHONE: 575-748-4211

APPROVED BY: _____ TITLE Geologist DATE 5/17/2012
Conditions of Approval (if any):

Drilling Prognosis Report

STEELERS BRS STATE #1H

API/UWI	County	State	Property Sub	N/S Dist (ft)	N/S Ref	E/W Dist (ft)	E/W Ref
3001539673	EDDY	NEW MEXICO	052432-001	660 0	FSL	200 0	FEL

Ground Elevation (ft)	Original KB Elevation (ft)	Lease Number	Surface Legal Location
3,341 00	3,359 00	VB-1077	SEC 24/TWN 20S/RNG 27E/UNT P

Directions To Well

FROM ARTESIA GO EAST ON HIGHWAY 82 FOR APPROX 9 6 MILES (MM 117), TURN R/S HERE ON HILLTOP ROAD AND GO APPROX 3.4 MILES TO THE INTERSECTION WITH ILLINOIS CAMP ROAD, TURN R/S ON ILLINOIS CAMP ROAD AND GO APPROX 15.0 MILES, THE STEELERS BRS STATE #1H IS APPROX 200 FEET OFF THE L/E SIDE OF THE ILLINOIS CAMP ROAD *per Scott Pitts

Wellbore - ORIGINAL HOLE - HORIZONTAL

Wellbore Name	Parent Wellbore	Bottom Hole Legal Location	NS Dist (ft)	NS Flag	EW Dist (ft)	EW Flag	Hole Direction	KO MD (ftKB)	Kick Off Method
ORIGINAL HOLE		SEC 24/TWN 20S/RNG 27E/UNT M	660 0	FSL	330 0	FWL	HORIZONTAL	5,875 0	Steerable Motor

Wellbore Sections

Section	Size (in)	Depth Top Proposed (ftKB)	Depth Btm Proposed (ftKB)
Conductor	26	18.0	58 0
Surface	17 1/2	58 0	400 0
Intermediate	12 1/4	400 0	4,850 0
Production 1	8 3/4	4,850 0	6,617 0
Production 2	8 1/2	6,617 0	10,887 0

Formations

Formation Name	Prog Top MD (ftKB)
RUSTLER	139 00
TANSILL	589 00
YATES	739 00
SEVEN RIVERS	949 00
CAPITAN REEF	1,929 00
DELAWARE	2,554 00
CHERRY CANYON	3,059 00
BRUSHY CANYON	3,649 00
BONE SPRINGS LM	4,764 00
AVALON SAND	4,959 00
MID AVALON SHALE	5,599 00
LOWER AVALON SHALE	5,759 00
BONE SPRINGS 1 /SD/	6,357.00
1ST BONE SPRINGS TARGET	6,617.00
TD	10,878 00

Job Description

Job Category	Primary Job Type	Primary Wellbore Affected	Target Formation	Tgt Dpth - MD (ftKB)	Tgt Dpth - TVD (ftKB)
New Drilling	New Well	ORIGINAL HOLE	BONE SPRINGS 1 /SD/	10,887 0	6,354 0

AFE Number	Total AFE Amount	Status 1
112520	5,894,600 00	DRILLING

Job Contacts

Title	Contact Name	Phone Office	Phone Home	Phone Mobile
TOOLPUSHER	CURTIS McCLANE	575-608-4335		432-638-2898
RIG PHONE	RIG FLOOR - 10			575-513-4629
TOOLPUSHER	TONY CROCI			432-528-6065
DRILLING FOREMAN	BRUCE NOLES	575-748-4224	575-752-3136	575-365-8357
LANDMAN	CHUCK MORAN	575-748-4349		
DRILLING FOREMAN	JEREMIAH MULLEN	575-748-4117		575-703-5467
DRILLING ENGINEER	JIM NIES	575-748-4117		575-703-5417
GEOLOGIST	JOHN HUMPHREY	575-748-4312	575-746-8885	575-513-9234
ENGINEER	MIKE HILL	575-748-4219		575-365-8706
ASST DRLG SUPERINT	MIKE LARKIN	575-748-4222	575-396-3504	575-703-1220
DRLG SUPERINTENDENT	TIM BUSSELL	575-748-4221	575-746-2121	575-365-5695

Mud Program

Depth Start (ftKB)	Depth End (ftKB)	Mud Type	Weight	Weight	Funnel Viscosity Mi	Funnel Viscosity Ma	Wtr Los	Wtr Los	Oil Perc	Oil Perc	Chlorides Min (mg/L)	Chlorides Max (mg/L)
18 0	400 0	Fresh Water	8 50	9 20	26	34						
Comment												
400 0	4,850 0	Fresh Water	8 60	9 20	34	40						
Comment	PH 10-10 5											
4,850 0	10,887 0	Cut Brine	8 60	9 20	28	38	10 0	15 0				
Comment	PH 10-10 5											

Drilling Prognosis Report

STEELERS BRS STATE #1H

Instructions

Samples
30' Sample to 5000' 10' Samples 5000'-TD

Logging
PLATFORM EXPRESS/HALS, CMR, DIPOLE SONIC

DST's

Coring

Mudlogging
On from surface casing to TD

KEEP LOCATION CLEAN, FILL OUT YPC SAFETY BOOK WEEKLY NOTIFY OCD OF BUILDING LOCATION, SPUD, RESUME DRILLING, CEMENTING CASING, BOP TEST, ETC

USE ONLY VENDORS ON YPC'S APPROVED VENDORS LIST FOR THE SERVICES YPC IS RESPONSIBLE FOR

PRESSURE CONTROL EQUIPMENT A 5M system will be nipple up and tested on 13 3/8" casing, 5K well head on 9 5/8

MAXIMUM ANTICIPATED BHP DEPTHS ARE TVD
0'-400' 191 PSI
400'-4850' 2572 PSI
4850'-6354' 3040 PSI

H2S is not anticipated

New well drilled vertically to 5867' & kicked off at approx 5867' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 6617' MD (6345' TVD) Lateral will then be drilled with an 8 1/2" hole to 10887' MD (6354' TVD) where 5 1/2" casing will be run and cemented Penetration point of producing zone will be encountered at 655' FSL and 676 FEL, Sect 24, 20S-27E Deepest TVD in the well is 6354' in the lateral If 7" is ran a 41/2 " Packer/port sytem in laterl and cemented from near EOC to 2350,if not 5 1/2" will be ran and cemented from EOL to 2350

PRODUCTION CEMENT STAGES AND VOLUMES TO BE DETERMINED AT THE PRODUCTION CEMENT MEETING

CASING DESIGN FACTORS BURST 1 0 TENSILE 1 8 COLLAPSE 1 125

Casing - Conductor Casing - 58.0 - Wellbore - ORIGINAL HOLE

Comment

String Nominal OD (in)	Weight/Length (lbs/ft)	Set Depth (ftKB)	Wellbore
20	94 00	58 0	ORIGINAL HOLE

OD (in)	Wt (lbs/ft)	Grade	Casing Threads	Top (ftKB)	Bottom (ftKB)	Length (ft)	P (collapse) (p	Burst Pres (psi)	Max Tensile (1	ID (in)	Drift (in)	Mk-up Tq (ft-lbs)	Max Tq (ft-lbs)
20	94 00	H-40	ST&C	18 0	58 0	40 00	520 0			19 124			

Casing - Surface Casing - 400.0 - Wellbore - ORIGINAL HOLE

Comment
48# 13 3/8" Casing will be H-40/J-55

String Nominal OD (in)	Weight/Length (lbs/ft)	Set Depth (ftKB)	Wellbore
13 3/8	48 00	400 0	ORIGINAL HOLE

OD (in)	Wt (lbs/ft)	Grade	Casing Threads	Top (ftKB)	Bottom (ftKB)	Length (ft)	P (collapse) (p	Burst Pres (psi)	Max Tensile (1	ID (in)	Drift (in)	Mk-up Tq (ft-lbs)	Max Tq (ft-lbs)
13 3/8	48 00	H-40	ST&C	0 0	400 0	400 00	740 0	1,730 0	322	12 715	12 559	3,220	4,030

Casing - Intermediate Casing - 4,850.0 - Wellbore - ORIGINAL HOLE

Comment
9 5/8" Casing will be either J-55 or K-55

String Nominal OD (in)	Weight/Length (lbs/ft)	Set Depth (ftKB)	Wellbore
9 5/8	36 00	4,850 0	ORIGINAL HOLE

OD (in)	Wt (lbs/ft)	Grade	Casing Threads	Top (ftKB)	Bottom (ftKB)	Length (ft)	P (collapse) (p	Burst Pres (psi)	Max Tensile (1	ID (in)	Drift (in)	Mk-up Tq (ft-lbs)	Max Tq (ft-lbs)
9 5/8	40 00	HCK-55	LT&C	0 0	100 0	100 00	4,230 0	3,950 0	604	8 835	8 750	6,940	8,680
9 5/8	36 00	J-55	LT&C	100 0	3,200 0	3,100 00	2,020 0	3,520 0	453	8 921	8 765	4,530	5,660
9 5/8	40 00	HCK-55	LT&C	3,200 0	4,850 0	1,650 00	4,230 0	3,950 0	604	8 835	8 750	6,940	8,680

Casing - Production Casing - 10,887.0 - Wellbore - ORIGINAL HOLE

Comment

String Nominal OD (in)	Weight/Length (lbs/ft)	Set Depth (ftKB)	Wellbore
5 1/2	17 00	10,887 0	ORIGINAL HOLE

OD (in)	Wt (lbs/ft)	Grade	Casing Threads	Top (ftKB)	Bottom (ftKB)	Length (ft)	P (collapse) (p	Burst Pres (psi)	Max Tensile (1	ID (in)	Drift (in)	Mk-up Tq (ft-lbs)	Max Tq (ft-lbs)
5 1/2	17 00	P-110	LT&C	0 0	5,875 0	5,875 00	7,480 0	10,640 0	445	4 892	4 767	4,620	5,780
5 1/2	17 00	P-110	Buttress Thread	5,875 0	10,887 0	5,012 00	7,480 0	10,640 0	445	4 892	4 767		

Cement Job - Surface Casing, 400.0ftKB, Proposed: Yes

Description	Proposed?	String	Wellbore
Surface Cement	Yes	Surface Casing, 400 0ftKB, Proposed Yes	ORIGINAL HOLE

Stage Number	Description	Top (ftKB)	Bottom (ftKB)	Wellbore
1	Surface Cement	18 0	400 0	ORIGINAL HOLE

Fluid Type	Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)
Lead	415	C	14 80	1 34

Additive	Amount	Amount Units	Concentration	Conc Unit label
CaCl			2 0	%

Cement Job - Production Casing, 10,887.0ftKB, Proposed: Yes

Description	Proposed?	String	Wellbore
Production Cement	Yes	Production Casing, 10,887 0ftKB, Proposed Yes	ORIGINAL HOLE

Stage Number	Description	Top (ftKB)	Bottom (ftKB)	Wellbore
2	Production Cement	2,350 0	4,800 0	ORIGINAL HOLE

Fluid Type	Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)
Lead	315	35 65 6PzC	12 50	2 00
Tail	200	C	14 80	1 34

Stage Number	Description	Top (ftKB)	Bottom (ftKB)	Wellbore
1	Production Cement	4,800 0	10,887 0	ORIGINAL HOLE

Fluid Type	Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)
Lead	300	C Lite	12.50	2 00

Fluid Type	Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)
Tail	1,050	PecosVILt	13 00	1 41

Cement Job -- Conductor Casing, 58 0ftKB, Proposed: Yes

Description	Proposed?	String	Wellbore
Conductor Cement	Yes	Conductor Casing, 58 0ftKB, Proposed Yes	ORIGINAL HOLE

Stage Number	Description	Top (ftKB)	Bottom (ftKB)	Wellbore
	Conductor Cement	18 0	58 0	ORIGINAL HOLE

Fluid Type	Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)
Lead	62	Ready Mix	15 00	

Cement Job -- Intermediate Casing, 4,850.0ftKB, Proposed: Yes

Description	Proposed?	String	Wellbore
Intermediate Cement	Yes	Intermediate Casing, 4,850 0ftKB, Proposed Yes	ORIGINAL HOLE

Stage Number	Description	Top (ftKB)	Bottom (ftKB)	Wellbore
2	Intermediate Cement	18 0	1,700 0	ORIGINAL HOLE

Fluid Type	Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)
Lead	405	35 65 6PzC	12 50	2 00
Tail	200	C	14 80	1 34

Stage Number	Description	Top (ftKB)	Bottom (ftKB)	Wellbore
1	Intermediate Cement	1,700 0	4,850 0	ORIGINAL HOLE

Fluid Type	Amount (sacks)	Class	Weight (lb/gal)	Yield (ft³/sack)
Lead	845	C Lite	12 50	2 00
Tail	200	C	14 80	1 34