

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

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-31607
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3850
7. Lease Name or Unit Agreement Name Lucy ALC State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Lost Tank; Delaware, West 40299

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 <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>P</u> : <u>330</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>East</u> line Section <u>34</u> Township <u>21S</u> Range <u>31E</u> NMPM Chaves County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3505'GR	

RECEIVED
AUG 15 2012
NMOCD ARTESIA

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: ☐

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.

7/8/12 - MIRU. NU BOP.

7/10/12 - Tagged up at 4320'. Finished TIH to PBTD at 7900'. Bottom perms 7904'-7920' are covered up.

7/11/12 - Set an RBP at 6800'. Tested RBP to 1500 psi, good. Found hole from 4179'-4245'. Set cement retainer at 4108'.

7/12/12 - Pumped test through retainer at 4108' and out squeeze holes in 5-1/2" 17# casing at 4177' and 4245'. Pumped 100 sx Class "C" with fluid loss material at 14.8 ppg followed by 100 sx Class "C" Neat cement at 14.8 ppg. Started pump in at 700 psi and dropped to 0 psi slowly as hydrostatic pressure built. Pumped a total of 48 bbls slurry. Displaced tubing with 9 bbls fresh water. Pumped 15 bbls fresh water with no pressure increase. Pumped 50 bbls fresh water to clear tubing and hole of cement. Pumped 225 sx Class "C" with 2% Cacl and 75 sx Class "C" Neat cement. Pressure slowly increased from 0 psi to 1500 psi. Stage cement 4 times waiting 5 min between stages and squeezed off at 1500 psi. Sting out of retainer and reverse clean.

7/15/12 - Tagged up at 4103'. Drilled out retainer, drilling soft cement down to 4126'. Drilled down to 4152'. Circulated hole clean.

7/16/12 - Drilled cement down to 4284' and circulated hole clean. Pressured casing to 500 psi, held good for 15 min. Released RBP.

CONTINUED ON NEXT PAGE:

Spud Date:

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 August 13, 2012

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

For State Use Only

APPROVED BY: Dr. J. D. Dade TITLE Dr. J. D. Dade DATE 8/29/12

Conditions of Approval (if any):

*Yates Petroleum Corporation
Lucy ALC State #1
Section 34-T21S-R31E
Eddy County, New Mexico
Page 2

Form C-103 continued:

7/17/12 ~ Tagged up at 7840'. Washed down to 7942' just past perfs 7904'-7920'.

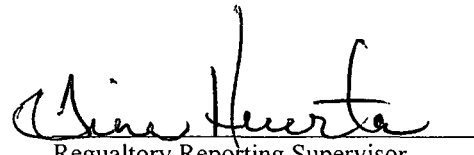
7/18/12 ~ Bailed down to 7981'. Was tagging solid on top of CIBP. Casing loaded up with 44 bbls. Tagged up at 7955'. Pumped 16 bbls and broke circulation. Began washing sand down to CIBP at 7982'. Began pushing and washing sand down. Washed sand down to 8150'. Circulated hole clean.

7/19/12 ~ Straddled squeeze holes at 4179'-4245'. Pressure tested to 500 psi, held good for 15 min.

7/22/12 ~ Straddled perfs at 7604'-7616'.

7/23/12 ~ Straddled perfs 6854'-6888'. Loaded casing and tested to 500 psi, good.

7/24/12 ~ Set 2-7/8" 6.4# L-80 tubing at 7920'. ND BOP.

A handwritten signature in black ink, appearing to read "Gina Huerta", is written over a horizontal line.

Regulatory Reporting Supervisor

August 13, 2012