

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 July 18, 2013

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

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. 30-015-41725
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 type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No.
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Nickson BM
4. Well Location Unit Letter A : 600 feet from the North line and 150 feet from the East line Unit Letter Lot 1 : 400 feet from the North line and 330 feet from the West line Section 30 Township 18S Range 26E NMPM Eddy County		8. Well Number 5H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,440' GR		9. OGRID Number 025575
		10. Pool name or Wildcat Penasco Draw; San Andres-Yeso

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Surface casing <input checked="" type="checkbox"/>
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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.

4/1/14 - Resumed drilling with rotary tools at 10:15 pm.

4/2/14 - TD 17-1/2" hole to 1,005'.

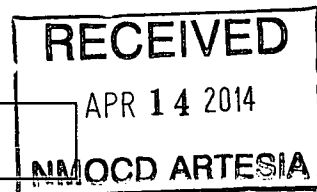
4/3/14 - Set 13-3/8" 48# J-55 ST&C casing to 1,005'. Cemented with 575 sacks Class "C" + 2#/sx B288 + 2#/sx B289 + 4% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.3% D112 + 0.125#/sx D130 (yld 2.21, wt 12.8). Tailed in with 275 sacks Class "C" + 0.125#/sx D130 + 0.2% D046 (yld 1.33, wt 14.8). Notified NMOC D of no returns. TOC at 241' per temperature survey. Cement 1" stage 1 with 25 sacks Class "C" + 0.125#/sx D130 + 0.2% D046 (yld 1.33, wt 14.8). WOC 4 hours. Stage 2 with 275 sacks Class "C" + 0.2% D046 + 0.125#/sx D130 (yld 1.33, wt 14.8). Stage 3 with 255 sacks Class "C" + 0.2% D046 + 0.125#/sx D130 (yld 1.33, wt 14.8). Circulated 25 sacks to surface.

4/7/14 - Tested casing to 1200 psi, good. Reduced hole to 7-7/8" and resumed drilling.

Spud Date:

3/27/14

Rig Release Date:



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

SIGNATURE Laura Watts TITLE Regulatory Reporting Technician DATE April 11, 2014

Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

For State Use Only

APPROVED BY: [Signature] TITLE State Engineer DATE 4-15-14
Conditions of Approval (if any):