

District I - (575) 393-6161 ARTESIA DISTRICT Office Energy, Minerals and Natural Resources 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

SEP 11 2014 RECEIVED

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

WELL API NO. 30-015-42492
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VB-7679
7. Lease Name or Unit Agreement Name Satchmo SWD State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat SWD; Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,320' GR

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 [] Gas Well [] Other SWD
2. Name of Operator Yates Petroleum Corporation
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210
4. Well Location Unit Letter B : 330 feet from the North line and 1980 feet from the East line Section 36 Township 25S Range 31E NMPM Eddy County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,320' 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 []
CLOSED-LOOP SYSTEM []
OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS [] P AND A []
CASING/CEMENT JOB []
OTHER: Surface and Intermediate casing [X]

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.

8/27/14 - Resumed drilling with rotary tools at 7:00 pm.
8/28/14 - TD 17-1/2" hole to 1,175'.
8/29/14 - Set 13-3/8" 48# J-55 ST&C casing at 1,175'. Cemented with 540 sacks Class "C" + 2.5% D020 + 5% D044 + 0.2% D046 + 0.1% D065 + 0.125#/sx D130 + 0.1% D238 + 5#/sx D042 (yld 2.10, wt 12.8). Tailed in with 300 sacks Class "C" + 0.125#/sx D130 + 0.01 gal/sx D177 + 0.2 gal/sx D047 + 5#/sx D042 (yld 1.35, wt 14.8). Circulated 272 sacks to the surface.
8/31/14 - Tested casing to 800 psi, ok. WOC 40 hours 30 mins. Reduced hole to 12-1/4" and resumed drilling.
9/6/14 - TD 12-1/4" hole to 4,460'.
9/7/14 - Set 9-5/8" 40#, 36# J-55 and HCK-55 casing at 4,460'. Cemented with 1160 sacks Class "C" + 0.15% D013 + 2% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.1% D065 + 0.13#/sx D130 + 0.1% D238 (yld 1.92, wt 12.80). Tailed in with 435 sacks Class "C" +

CONTINUED ON NEXT PAGE:

Spud Date: 8/25/14

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 September 10, 2014

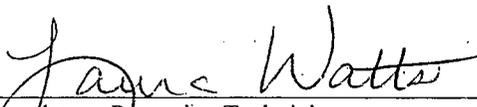
Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

APPROVED BY: R Wade TITLE Dist # Supervisor DATE Sept 11, 2014

Conditions of Approval (if any):

Form C-103 continued:

5% D042 + 5% D044 + 0.2% D046 + 0.2% D065 (yld 1.37, wt 14.20). Circulated 233 sacks to the surface.
9/8/14 – Tested casing to 1200 psi, ok. WOC 26 hours 50 mins. Reduced hole to 8-3/4" and resumed drilling.



Regulatory Reporting Technician
September 10, 2014