

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

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

WELL API NO. 30-015-34551
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-6711
7. Lease Name or Unit Agreement Name Ohkay BHH State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat Bone Spring/Undes. Nash Draw Delaware

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

2. Name of Operator  
Yates Petroleum Corporation

3. Address of Operator  
105 S. 4<sup>th</sup> Street, Artesia, NM 88210

4. Well Location  
Unit Letter D : 330 feet from the North line and 330 feet from the West line  
Section 6 Township 25S Range 30E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3139'GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐  
CASING/CEMENT JOB ☐

OTHER: Completion Operations ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4/18/06 - TOC 4468' CBL.

4/19/06 - Perforate Bone Spring 8594'-8598', 8800'-8802', 8811'-8813', 8947'-8949', 8972'-8976', 8980'-8984', 9050'-9052' and 9064'-9068' for a total of 32 - .42" holes.

4/20/06 - Acidize Bone Spring 9050'-9068' with 500g 7-1/2% IC HCL. Acidize Bone Spring 8800'-8984' with 1250g 7-1/2% IC HCL. Acidize Bone Spring 8594'-8598' with 250g 7-1/2% IC HCL.

4/24/06 - Frac Bone Spring 8594'-9068' with 20# borate x-linked gelled 3% carrying 36,000# 20/40 Ottawa and 64,000# 20/40 resin coated sand.

4/26/06 - Perforate Bone Spring 7964'-7968', 7990'-7994', 8202'-8206', 8212'-8220' and 8313'-8320' for a total of 32 holes. Acidize Bone Spring with 1750g 7-1/2% IC acid and 50 balls in 3 stages.

5/3/06 - Frac Bone Spring 7964'-8320' with 20# borate x-linked gelled 3% KCL water carrying 86,000# 20/40 Ottawa expedite sand.

5/8/06 - Set a composite BP at 7914' and shoot 4 squeeze holes at 7450'. Set cement retainer at 7400'.

5/9/06 - Squeeze from 7450' up with 400 sx Class "H" cement with fluid loss. Squeezed to 1800 psi in 4 stages with 391 sx in and reversed out 9 sx to pit.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE July 10, 2006

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only  
APPROVED BY District II Supervisor TITLE

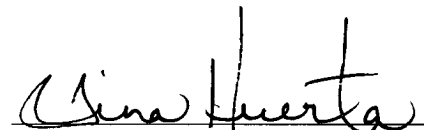
DATE 7/24/06

Conditions of Approval (if any):

Yates Petroleum Corporation  
Ohkay BHH State #1  
Section 6-T25S-R30E  
Eddy County, New Mexico

**Form C-103 continued:**

5/10/06 – TIH with CBL log. Log from 7400' to 5950' with 1000 psi on log. TOC at 6205'.  
5/11/06 – Drilled out cement retainer and cement. Test squeeze to 1000 psi.  
5/12/06 – Perforate Bone Spring 7316'-7320', 7324'-7330' and Delaware 7058'-7068', 7108'-7110', 7121'-7123', 7174'-7178' for a total of 34 - .42" holes.  
5/15/06 – Acidize Bone Spring 7316'-7330' with 750g 7-1/2% HCL. Acidize Delaware 7174'-7178' with 250g 7-1/2% HCL. Acidize Delaware 7108'-7123' with 500g 7-1/2% HCL. Acidize Delaware 7058'-7068' with 500g 7-1/2% HCL.  
5/19/06 – Set a composite BP at 6950'. Perforate Delaware 6450'-6458', 6462'-6466', 6652'-6656' and 6762'-6774' for a total of 32 - .42" holes.  
5/22/06 – Acidize Delaware 6762'-6774' with 750g 7-1/2% IC HCL. Acidize Delaware 6652'-6656' with 250g 7-1/2% IC HCL. Acidize Delaware 6450'-6466' with 750g 7-1/2% IC HCL.  
5/31/06 – Frac Delaware 6450'-6774' with a water frac, 1268 bbls fluid, 70,000# 20/40 white sand, 70,000# 20/40 expedite.  
6/1/06 – Set a composite BP at 6350'. Perforate Delaware 5826'-5832' (7), 6022'-6024' (3), 6028'-6032' (5), 6036'-6040' (5), 6116'-6120' (5) and 6168'-6172' (5) for a total of 30 holes.  
6/2/06 – Acidize Delaware 6116'-6172' with 500g 7-1/2% HCL acid. Acidize Delaware 6022'-6040' with 750g 7-1/2% HCL acid. Acidize Delaware 5826'-5832' with 500g 7-1/2% HCL acid.  
6/8/06 – Set a cement retainer at 5795'. Squeeze off Delaware 5826'-6172' with 400 sx Class "H" Neat cement + .5% Calcium Chloride in last 200 sx cement. Perfs squeeze off at 700 psi.  
6/12/06 – Drilled out cement retainer and cement to 6151'.  
6/13/06 – Tested squeeze to 1000 psi for 15 min. Drilled out composite plugs at 6350', 6950' and 7914'. TIH with SN and 2-7/8" tubing to 8000'.

  
Regulatory Compliance Supervisor  
July 10, 2006