

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

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

WELL API NO. 30-015-36499
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1535 & V-5867
7. Lease Name or Unit Agreement Name Perdomo "BMP" State
8. Well Number 001H
9. OGRID Number 025575
10. Pool name or Wildcat WC; Bone Spring

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-102) FOR SUCH PROPOSALS)

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

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 South Fourth Street, Artesia NM 88210

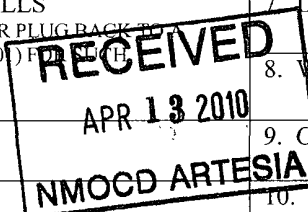
4. Well Location

Unit Letter L : 1650 feet from the South line and 660 feet from the West line; Surface Hole, 24-24S-27E

Unit Letter M : 330 feet from the South line and 660 feet from the West line, Bottom Hole, 25-24S-27E

Surface Hole, Section 24 Township 24S Range 27E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3149' 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 ☐
OTHER: ☒ Change BHL & Dedicated Acres

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

Yates Petroleum Corporation wishes to change the bottom hole well footages from 1650' FSL & 330' FEL, Section 24-24S-27E to the new footages of 330' FSL & 660' FWL, Section 25-24S-27E. A new C-102 is attached showing the new acreage dedication as the E2E2 of the W2SW4 Section 24-T24S-R27E and the W2W2 of Section 25-T24S-R27E being 240 acres.

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

SIGNATURE Clifton May TITLE Land Regulatory Agent DATE April 12, 2010
Type or print name Clifton May E-mail address: Yates Petroleum Corporation PHONE: 575-748-4347

For State Use Only

APPROVED BY: Jacqui R TITLE Geologist DATE 4/16/2010
Conditions of Approval (if any):

YATES PETROLEUM CORPORATION
Perdomo BMO State Com. #1H
1650' FSL & 660' FWL, Section 24-24S-27E, SHL
330' FSL & 660' FWL, Section 25-24S-27E, BHL
Eddy County, New Mexico
API #30-015-36499

COMMENTS:

MUD PROGRAM: 0-800' Fresh Water; 800'-2500' Brine Water; 2500'-8600' cut Brine; 6327'-13254' Cut Brine (lateral)

BOPE PROGRAM: 3000 psi system nipples up on 13 3/8" and 9 5/8" casing.

MAXIMUM ANTICIPATED BHP: 0-800' 383 psi; 800'-2500' 1300 psi; 2500'-8600' 4248 psi. Depths are TVD.

Pilot hole will be vertically drilled to 8600'. Well will be plugged back with 400'-500' kick off plug at approximately 6327' and directionally drilled at 10 degrees per 100 feet with a 8 3/4" hole to 7227 MD (6900 TVD). If hole conditions dictate, 7" casing will be set. A 6 1/8" hole will then be drilled to 13254' MD (6900' TVD) where 4 1/2" casing will be set and cemented. If 7" is not set, then the hole size will be reduced to 8 1/2" and drilled to 13254' MD (6900' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 1077' FSL & 660' FWL, 24-24S-27E. Deepest TVD in the well is 8600' in the pilot hole. Deepest TVD in the lateral will be 6900'.

H2S is not anticipated for this well.

CASING PROGRAM:

Surface	0-800'	13 3/8"	48#	H-40	ST&C
Intermediate	0-2500'	9 5/8"	36#	J-55	ST&C
Production	0-7300'	5 1/2"	17#	HCP-110	LT&C
	7300'-13254'	5 1/2"	17#	L-80	LT&C

CEMENT PROGRAM:

Surface Cement with 825 sacks class C (yld 1.34 wt 12.50) TOC surface.
Intermediate Lead with 675 sacks C Lite (yld 2.00 wt 12.50). Tail in with 200 sacks Class C (yld 1.34 wt 14.80). TOC surface.
Production Production cement to be done in three stages. Will be cemented with 3125 sacks of cement. TOC 2000'.
Contingency Casing Plan: See Attached Plan.

Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 7,227' MD (6,900' TVD). A 6 1/8" hole will then be drilled to 13,254' MD (6,900' TVD) where 4 1/2" casing will be set and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 6300'.

2nd Intermediate						
0 ft to 100 ft				Make up Torque ft-lbs		Total ft = 100
O D	Weight	Grade	Threads	opt.	min	mx
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift
4,320 psi	4,980 psi	367,000 #		415,000 #		6.151

100 ft to 5,800 ft				Make up Torque ft-lbs		Total ft = 5,700
O D	Weight	Grade	Threads	opt.	min	mx.
7 inches	23 #/ft	J-55	LT&C	3130	2350	3910
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift
3,270	4,360 psi	313,000 #		366,000 #		6.25

5,800 ft to 7,227 ft				Make up Torque ft-lbs		Total ft = 1,427
O D	Weight	Grade	Threads	opt.	min	mx
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift
4,320 psi	4,980 psi	367,000 #		415,000 #		6.151

Lead w/760sx Lite crete (YLD 2 66 Wt 9 9) tail w/125sx PVL (YLD 1 41 Wt 13) TOC = Surface

Production

0 ft to 13,254 ft				Make up Torque ft-lbs		Total ft = 13,254
O D	Weight	Grade	Threads	opt.	min	mx
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020	2270	3780
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift
8,650 psi	10,690 psi	279,000 #		367,000 #		3.875

DV tool placed at approx. 6300' and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 6300'.

Cemented w/930sx PVL (YLD 1 41 Wt 13) TOC= 6300'

3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation

Well: Perdomo BMP State Com. #1H

