Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office June 19, 2008 Energy, Minerals and Natural Resources District I WELL API NO. 1625 N French Dr., Hobbs, NM 88240 District II 30-015-36499 OIL CONSERVATION DIVISION 1301 W. Grand Ave, Artesia, NM 88210 5. Indicate Type of Lease District III 1220 South St. Francis Dr. STATE | FEE 1000 Rio Brazos Rd, Aztec, NM 87410 Santa Fe, NM 87505 6. State Oil & Gas Lease No. District IV 1220 S St Francis Dr, Santa Fe, NM 87505 VB-827 & VO-5867 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A Perdomo BMP State Com DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number 1H 1. Type of Well: Oil Well Gas Well RECEIVED 2. Name of Operator 9. OGRID Number Yates Petroleum Corporation 025575 3. Address of Operator 10. Pool name or Wildcat MAY 2 0 2010 105 South Fourth Street, Artesia, NM 88210 Wildcat 4. Well Location NMOCD ARTESIA feet from the Surface 1650 660 feet from the South line and West line 1650 feet from the BHL South line and 330 feet from the East line **24S** 24 Township Range 27E Section **NMPM** Eddy County STORESTON 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: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK □ PLUG AND ABANDON REMEDIAL WORK ALTERING CASING | П П CHANGE PLANS TEMPORARILY ABANDON COMMENCE DRILLING OPNS. P AND A  $\Box$ MULTIPLE COMPL  $\Box$ PULL OR ALTER CASING CASING/CEMENT JOB П DOWNHOLE COMMINGLE OTHER: Surface and Intermediate casing 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 recompletion. 4/30/10 – Resumed drilling at 11:20 PM. 5/1/10 - TD 17-1/2" hole to 805'. 5/2/10 - Set 13-3/8" 48# H-40 ST&C casing at 805'. Cemented with 450 sx Class "C" + 0.125#/sx D130 + 3.76#/sx D20 + 94#/sx D903 + 1.88 #/sx S1 + 0.188 #/sx D46 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 0.125 #/sx D130 + 94 #/sx D903 + 0.94 #/sx S1 (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 600 psi for 30 min, ending 540 psi. NOTE: NMOCD was notified via voicemail and no representative on location to witness cement job. WOC 20 hrs. Reduced hole to 12-1/4" and resumed drilling. 5/3/10 - TD 12-1/4" hole at 2:00 AM to 2286'. Set 9-5/8" 36# J-55 LT&C casing at 2286'. Notified Mike Bratcher-NMOCD of pending cement job but did not witness. Cemented with 550 sx 35:65:6 Poz "C" + 0.621#/sx D112 + 27.65#/sx D132 + 5.325#/sx D20 + 4.827#/sx D44 + 61.1#/sx D903 + 0.177#/sx D46 (yld 2.07, wt 12.6). Tailed in with 200 sx Class "C" + 94#/sx D903 + 0.1% D13 (yld 1.33, wt 14.8). Cement circulated to surface. Tested casing to 1200 psi for 30 min - no pressure loss. WOC 48 hrs. Reduced hole to 8-3/4" and resumed drilling. 8/1/08 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 ( ) TITLE Regulatory Compliance Supervisor DATE May 19, 2010

APPROVED BY: Owl Way
Conditions of Approval (if any):

Type or print name \_ For State Use Only

Tina Huerta

TITLE Field Supervisor

E-mail address: <u>tinah@yatespetroleum.com</u> PHONE: \_\_\_\_

DATE 6-1-2010