

Submit 1 Copy 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
October 13, 2009

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

| |
|---|
| WELL API NO. 30-005-64124 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. LG-0338 |

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|---|--|---|
| 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.) | | 7. Lease Name or Unit Agreement Name Eureka UK State |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | | 8. Well Number 3 |
| 2. Name of Operator Yates Petroleum Corporation | | 9. OGRID Number 025575 |
| 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 | | 10. Pool name or Wildcat Foor Ranch; Pre-Permian (Gas) |
| 4. Well Location Unit Letter <u>B</u> : <u>820</u> feet from the <u>North</u> line and <u>1550</u> feet from the <u>East</u> line Section <u>20</u> Township <u>10S</u> Range <u>26E</u> NMPM Chaves County | | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3759'GR | | |

RECEIVED
SEP 21 2010
NMOCD ARTESIA

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

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

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.

8/19/10 – NU BOP. Tagged float collar at 6005'. Pickled tubing and casing with 600g 15% acid. Displaced hole with 150 bbls 3% KCL. Tested production casing to 1500 psi, good. Perforated Granite Wash 5782'-5800' (72), 5751'-5762' (44) and 5718'-5728' (40). Acidized 5782'-5800' with 1000g 7-1/2% IC HCL acid, dropped 108 balls with slight ball action. Acidized 5751'-5762' with 750g 7-1/2% IC HCL acid, dropped 66 balls and balled out with 45 balls on. Acidized 5718'-5728' with 750g 7-1/2% IC HCL acid, dropped 60 balls with ball out with 40 balls on. Tested casing to 1000 psi, good.
8/26/10 – Set a 5-1/2" CIBP at 5668' with 35' cement on top. Perforated Cisco 5604'-5610' (24). Acidized with 1000g 15% IC HCL acid, dropped 48 balls and balled out on last set. 5-1/2" AS-1 packer with 2.25" on/off tool and 2-7/8" tubing at 5512'.

Spud Date: 7/27/10 Rig Release Date: 8/13/10

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

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE September 16, 2010

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168
For State Use Only

APPROVED BY David Gray TITLE Compliance Officer DATE 9-21-10
Conditions of Approval (if any):

WELL NAME AND NUMBER Eureka UK State #3 30-DDS-64124
LOCATION Section 20, T10S, R26E, Unit B, 820 FNL, 1550 FEL
OPERATOR Yates Petroleum Corp.
DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation test and obtained the following results:

| Degrees @ Depth | Degrees @ Depth | Degrees @ Depth |
|-----------------|-----------------|-----------------|
| 1/4° @ 482' | | |
| 3/4° @ 976' | | |
| 3/4° @ 1481' | | |
| 1/2° @ 1993' | | |
| 1° @ 2487' | | |
| 3/4° @ 2959' | | |
| 1 1/4° @ 3464' | | |
| 1° @ 3937' | | |
| 1° @ 4410' | | |
| 1 1/4° @ 4881' | | |
| 1° @ 5480' | | |
| 1 1/4° @ 5984' | | |
| | | |
| | | |
| | | |
| | | |

Drilling Contractor- UNITED DRILLING, INC.

By: Luisa Noriega
(Luisa Noriega)

Title: Assistant Office Manager

Subscribed and sworn to before me this 17th day of August, 2010.

Charles Martin
Notary Public

Charles New Mexico
County State

My Commission Expires: 10/8/12

[Handwritten signature]