

Submit 1 Copy To Appropriate District
Office
District I
1625 N. 7th Dr., Hobbs, NM 88240
District II
1306 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. 30-015-37500
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-7318
7. Lease Name or Unit Agreement Name Jericho BKJ State Com
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat; 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-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Surf-Unit Letter <u>A</u> : <u>660</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>East</u> line BHL-Unit Letter <u>D</u> : <u>703</u> feet from the <u>North</u> line and <u>4518</u> feet from the <u>East</u> line Section <u>15</u> Township <u>25S</u> Range <u>27E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.). 3172'GR	

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.

7/26/10 – Tagged up at 5374'. Started drilling cement down to 5496'. Began drilling DV tool. Drilled out and circulated clean. Pressured up on casing to 3000 psi, held good for 15 min.
7/27/10 – Tagged PBTD at 10,440'. Pickled tubing with 1000g 15% NEFE HCL and spotted 1500g 10% acetic acid. Cleaned up DV tool at 5496'.
7/28/10 – Tested casing to 3000 psi, held good. Est TOC 1700'. Perforated Bone Spring 9984' (9), 10,134' (9), 10,284' (9) and 10,434' (9). Frac with a 30# borate gel, pumped 66,508# Ottawa 40/70, 73,044# Super LC 20/40, 38,655# into formation.
9/10/10 – Spotted 1500g 7-1/2% HCL acid at 9854'. Perforated Bone Spring 9834' (9), 9684' (9), 9534' (9) and 9384' (9). Frac with a 30# borate gel, pumped 1500g 7-1/2% HCL acid, 59,417# Ottawa 40/70, 120,000# Ottawa 20/40, 80,000# Super LC 20/40. Spotted 1500g 7-1/2% HCL acid at 9250'. Perforated Bone Spring 9234' (9), 9084' (9), 8934' (9) and 8734' (9). Frac with a 30# borate gel, pumped 1500g 7-1/2% HCL acid, 65,013# 40/70, 124,965# Ottawa 20/40, 78,743# Super LC 20/40.

CONTINUED ON NEXT PAGE

Spud Date:

2/1/10

Rig Release Date:

7/14/10

RECEIVED
SEP 29 2010
NMOCD ARTESIA

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

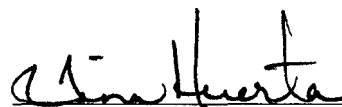
SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE September 24, 2010

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

APPROVED BY: David May TITLE Field Supervisor DATE 9-30-10
Conditions of Approval (if any):

Form C-103 continued:

9/11/10 – Spotted 1500g 7-1/2% HCL acid at 8654'. Perforated Bone Spring 8634' (9), 8484' (9), 8334' (9) and 8184' (9). Frac with a 30# borate gel, pumped 1500g 7-1/2% HCL acid, 64,803# Ottawa 40/70, 122,448# Ottawa 20/40, 81,814# Super LC 20/40. Spotted 1500g 7-1/2% HCL acid at 8054'. Perforated Bone Spring 8034' (9), 7884' (9), 7734' (9) and 7584' (9). Frac with a 30# borate gel, pumped 1500g 7-1/2% HCL acid, 62,996# Ottawa 40/70, 118,657# Ottawa 20/40, 81,550# Super LC 20/40. Spotted 1500g 7-1/2% HCL acid at 7454'. Perforated Bone Spring 7434' (9), 7284' (9), 7134' (9) and 6984' (9). Frac with a 30# borate gel, pumped 1500g 7-1/2% HCL acid, 62,528# Ottawa 40/70, 118,125# Ottawa 20/40, 82,525# Super LC 20/40. Spotted 1500g 7-1/2% HCL acid at 6854'. Perforated Bone Spring 6834' (9), 6684' (9), 6534' (9) and 6384' (9). Frac with a 30# borate gel, pumped 1500g 7-1/2% HCL acid, 23,248# Ottawa 40/70, 91,828# Ottawa 20/40, 71,106# Super LC 20/40. Flow thru plugs at 6854', 7454', 8054', 8654', 9250' and 9854'. AS-1 packer with 2.25" S-lok in place and 2-7/8" 6.5# L-80 tubing at 5600'.



Regulatory Compliance Supervisor
September 24, 2010