

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

RECEIVED
State of New Mexico
Energy, Minerals and Natural Resources
NOV 23 2010
OIL CONSERVATION DIVISION
HOBBS
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-015-36070
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-7523
7. Lease Name or Unit Agreement Name Thurman Draw Unit
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Bone Springs

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	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>C</u> : <u>1200</u> feet from the <u>North</u> line and <u>1850</u> feet from the <u>West</u> line Section <u>16</u> Township <u>26S</u> Range <u>23E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4341'	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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: Drill horizontal ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
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 recompletion.

Yates Petroleum Corporation respectfully requests permission to change the direction in which the lateral will be drilled on this well. Attached you will find a new plat showing SL and BHL. Also a new directional plan is included. Production casing will be 5 1/2" 17# from 0'-7,280' MD. Lateral to be drilled with Cut Brine 8.8-9ppg Vis 28-30.

Bottom hole location will be Sect. 16, 26S-23E, 660' FSL & 1850' FWL.

Penetration point of producing zone will be 1575' FNL & 1850' FWL Sect. 16, 26S-23E.

Thank-you,

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 NMOCD guidelines ☐ a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Jeremiah Mullen TITLE Well Planner DATE 11/18/10

Type or print name Jeremiah Mullen E-mail address: jmulen@yatespetroleum.com Telephone No. 575-748-4378

For State Use Only

APPROVED BY: [Signature] TITLE _____ DATE NOV 23 2010
Conditions of Approval (if any):

dm

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36070	Pool Code 96403	Pool Name Wildcat Bone Springs
Property Code 36967	Property Name THURMAN DRAW UNIT	Well Number 1H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 4341'

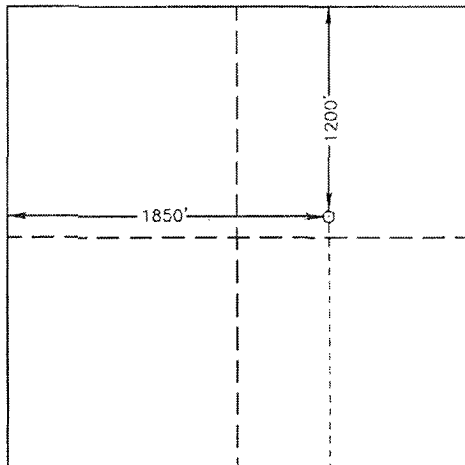
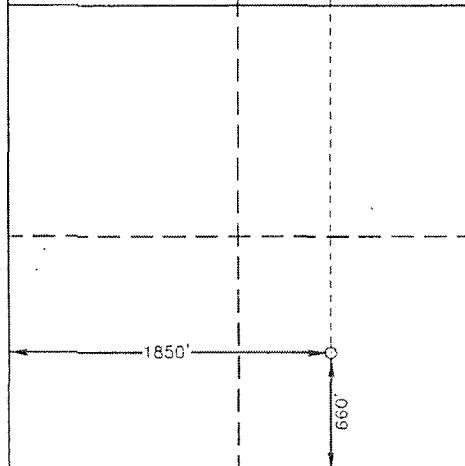
Surface Location

UL or lot No. C	Section 16	Township 26 S	Range 23 E	Lot Idn	Feet from the 1200	North/South line NORTH	Feet from the 1850	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No. N	Section 16	Township 26 S	Range 23 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1850	East/West line WEST	County EDDY
Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>SURFACE LOCATION Lat - N32°02'35.86" Long - W104°36'35.24" SPC- N.: 379597.941 E.: 455679.577 (NAD-83)</p>	<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete, to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jeremiah Mullen</i> Signature Date 11/23/10 Jeremiah Mullen Printed Name</p>
	<p>PROPOSED BOTTOM HOLE LOCATION Lat - N32°02'01.62" Long - W104°36'36.20" SPC- N.: 376138.197 E.: 455587.857 (NAD-83)</p>	<p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>JANUARY 15, 2008 Date Surveyed Signature Gary L. Jones Professional Surveyor 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>

Co: Yates Petroleum Corporation		Units: Feet, ° 7100ft	VS Az: 181.52	Tgt TVD: 4034.00
Drillers: 0		Elevation:	Tgt Radius: 0.00	Tgt MD: 0.00
Well Name: Thurman Draw Unit #1H		Northing:	Tgt N/S: -3460.00	Tgt Displ.: 0.00
Location: 0		Eastng:	Tgt E/W: -92.00	Method: Minimum Curvature

No.	MD	CL	Inc.	Azi.	TVD	VS	+N/S-	+E/W-	BR	WR	DLS	Comments
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Kick off point
1	3599.84	3599.84	0.00	181.52	3599.84	0.00	0.00	0.00	0.00	5.04	0.00	
2	3700.00	100.16	15.02	181.52	3698.86	13.05	-13.05	-0.35	15.00	0.00	15.00	
3	3800.00	100.00	30.02	181.52	3790.96	51.25	-51.23	-1.36	15.00	0.00	15.00	
4	3900.00	100.00	45.02	181.52	3870.05	111.99	-111.95	-2.98	15.00	0.00	15.00	
5	4000.00	100.00	60.02	181.52	3930.72	191.12	-191.06	-5.08	15.00	0.00	15.00	
6	4100.00	100.00	75.02	181.52	3968.84	283.26	-283.16	-7.53	15.00	0.00	15.00	
7	4193.37	593.53	89.03	181.52	3981.75	375.50	-375.37	-9.98	15.00	0.00	15.00	Bone Springs Target
8	7279.53	3086.16	89.03	181.52	4034.00	3461.22	-3460.00	-92.00	0.00	0.00	0.00	Lateral TD

