

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

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

Form C-103
October 13, 2009

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.)		WELL API NO. 30-015-36070
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No.
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Thurman Draw Unit
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		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4341'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Wildcat; Mississippian (Gas)

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

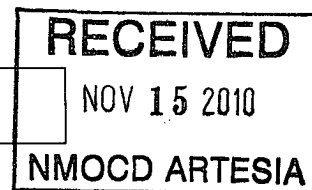
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Set conductor, surface & intermediate casing <input checked="" type="checkbox"/>
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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.

10/21/10 – Set and cemented 40' of 20" conductor. Notified NMOC D via voicemail at 10:00 PM of operations.
 10/27/10 – Resumed drilling at 6:30 PM.
 10/28/10 – TD 17-1/2" hole to 540'. Set 13-3/8" 48# J-55 ST&C casing at 540'. Cemented with 260 sx Class "C" + 0.125#/sx D130 + 4% D20 + 0.2% D46 + 2% S1 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 0.125#/sx D130 + 1% S1 (yld 1.34, wt 14.8). Circulated 130 sx to pit. Tested casing to 600 psi, held test for 30 min. WOC 24 hrs 20 min. Reduced hole to 12-1/4" and resumed drilling.
 11/1/10 – TD 12-1/4" hole to 3541'.
 11/2/10 – Set 9-5/8" 36# J-55 LT&C casing at 3541'. Cemented stage 1 with 370 sx 35:65 Poz "C" + 0.2% D13 + 0.125#/sx D130 + 6% D20 + 2#/sx D42 + 5% D44 + 0.2% D46 (yld 2.18, wt 12.4). Tailed in with 200 sx Class "C" + 0.2% D13 (yld 1.34, wt 14.8). Circulated 232 sx to pit. Cemented stage 2 with 510 sx 35:65 Poz "C" + 0.2% D13 + 0.125#/sx D130 + 6% D20 + 2#/sx D42 + 5% D44 + 0.2% D46 (yld 2.18, wt 12.4). Tailed in with 100 sx Class "C" + 0.2% D13 (yld 1.34, wt 14.8). Circulated 206 sx to pit. Tested casing to 1500 psi for 30 min. WOC 27 hrs 15 min. Reduced hole to 8-3/4" and resumed drilling.

Spud Date: 7/27/10

Rig Release Date:



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 November 9, 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 Field Supervisor DATE 11-24-10
 Conditions of Approval (if any):

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