

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

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)</p>		<p>WELL API NO. 30-015-37551</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil &amp; Gas Lease No. VO-7679</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Bebop BPE State</p>
<p>4. Well Location Surface D : 660 feet from the North line and 330 feet from the West line BHL M : 330 feet from the South Line and 660 feet from the West line Section 36 Township 25S Range 31E NMPM Eddy County</p>		<p>8. Well Number 1H</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3313'GR</p>		<p>9. OGRID Number 025575</p>
<p>10. Pool name or Wildcat Avalon Shale</p>		

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 ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

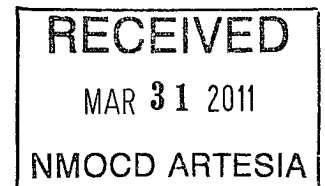
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Intermediate casing ☒

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.

3/22/11 – TD 12-1/4" hole to 4310'. Set 9-5/8" 36#, 40# K-55 LT&C casing at 4310'. Cemented with 1165 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 27.65#/sx D132 + 5.325#/sx D20 + 4.768#/sx D44 + 61.1#/sx D903 + 0.178#/sx D46 + 2#/sx D42 + 0.089#/sx D13 (yld 2.07, wt 12.6). Tailed in with 200 sx Class "C" + 94#/sx D903 + 0.094#/sx D13 (yld 1.33, wt 14.8). Circulated 250 sx to pit. Tested casing to 1200 psi for 30 min, Ok. WOC 31 hrs 45 min. Reduced hole to 8-3/4" and resumed drilling.



Spud Date: 1/31/11

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 March 30, 2011

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 4-5-11  
Conditions of Approval (if any):