

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

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. 30-015-36220 ✓
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐		5. Indicate Type of Lease STATE ☒ FEE ☐
2. Name of Operator Yates Petroleum Corporation ✓		6. State Oil & Gas Lease No. VB-793
3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Shocker 32 State Cont ✓
4. Well Location Unit Letter <u>A</u> : <u>330</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>East</u> line Section <u>32</u> Township <u>25S</u> Range <u>29E</u> NMPM <u>EDDY</u> County		8. Well Number 3H ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2983'		9. OGRID Number 25575 ✓
Pit or Below-grade Tank Application ☐ or Closure ☐		10. Pool name or Wildcat Bone Springs
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: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
CASING/CEMENT JOB ☐

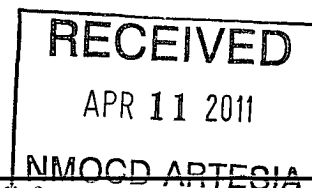
OTHER: ☐

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.

Bottom hole location for this well is Section 32, T25S-R29E, Unit P. 330' FSL and 380' FEL.

Yates Petroleum Corporation respectfully requests permission to change the production hole size and casing design, and also alter the directional plan to go horizontal in the Avalon Shale. See attached for casing design and directional plan

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 4/4/11

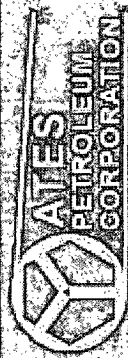
Type or print name Jeremiah Mullen E-mail address: jmulen@yatespetroleum.com Telephone No. 575-748-4378

For State Use Only

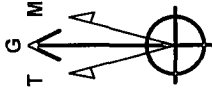
APPROVED BY: Jaqueline TITLE Geologist DATE 4/18/2011

Conditions of Approval (if any):

12

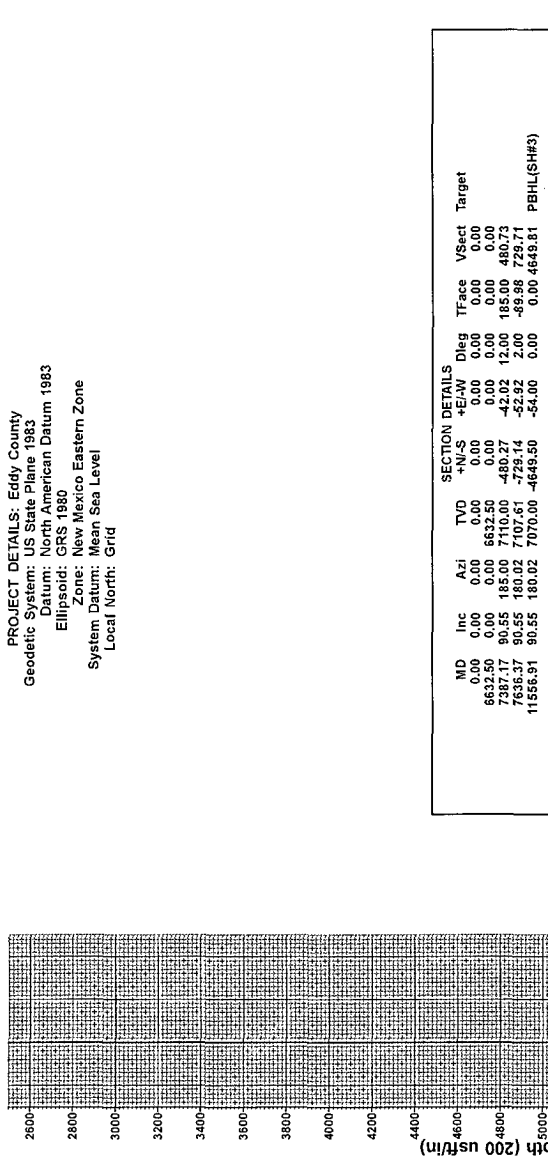


Project: Eddy County
Site: Shocker 32 State
Well: #3H
Wellbore: OH
Plan: Plan #1 (#3H/OH)



Azimuths to Grid North
True North: -0.11°
Magnetic North: 7.86°
Magnetic Field
Strength: 48629.2snT
Dip Angle: 60.01°
Date: 04/03/2010
Model: IGRF200510

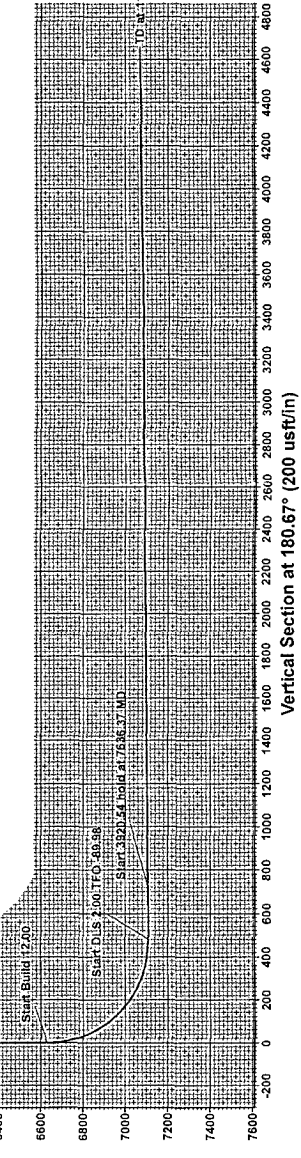
PROJECT DETAILS: Eddy County
Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level
Local North: Grid



SECTION DETAILS									
MD	Inc	Azi	TVD	+N/S	+E/W	Dleg	TFace	VSect	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6632.50	0.00	0.00	6632.50	0.00	0.00	0.00	0.00	0.00	0.00
7387.17	90.55	185.00	7110.00	-42.02	12.00	185.00	480.73		
7636.37	90.55	180.02	7107.61	-729.14	-52.92	2.00	-89.88	729.71	
11556.91	90.55	180.02	7070.00	-4649.50	-54.00	0.00	0.00	4649.81	PBHL(SH#3)

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)				
Name	TVD	+N/S	+E/W	Northing
PBHL(SH#3)	7070.00	-4649.50	-54.00	392891.900
				603655.900
				Point

WELL DETAILS: #3H				
Ground Elevation: 2983.00				
RKB Elevation: WELL @ 3001.00usft (18' KB)				
Rig Name: 18' KB				
+N/S	0.00	Northing	603769.900	Latitude
		Easting	397541.400	32° 5' 33.938 N
				104° 7' 54.917 W
				Slot



Shocker 32 State Com. #3H

Production Casing

0 ft to 6,600 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
5.5 inches	20 #/ft	L-80	LT&C		4200	3150 5250	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
8,830 psi	9,190 psi	416,000 #		466,000 #		4.653	

6,600 ft to 7,400 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
5.5 inches	20 #/ft	L-80	BT&C				
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
8,830 psi	8,990 psi	503,000 #		466,000 #		4.653	

7,400 ft to 11,557 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
5.5 inches	20 #/ft	L-80	LT&C		4200	3150 5250	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
8,830 psi	9,190 psi	416,000 #		466,000 #		4.653	

DV tool placed at approx. 5477'.

Stage I: Cemented w/1040sx with TOC= 5477'

Stage II: Cemented w/575sx with TOC= 2350'

Well will be drilled vertically with 8 3/4" hole to 6632'. Well will then be kicked off at 6632' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 7,387' MD (7110' TVD). hole size will be reduced to 8 1/2" and drilled to 11,557' MD (7070' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 810' FNL and 372' FEL, 32-25S-29E. Deepest TVD in the in the well is 7110' in the lateral.

Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 7,387' MD (7110' TVD). A 6 1/8" hole will then be drilled to 11,557' MD (7070' TVD) where 4 1/2" casing will be set and cemented.

2nd Intermediate

0 ft to 100 ft				Make up Torque ft-lbs			Total ft = 100
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
4,320 psi	4,980 psi	367,000 #		415,000 #		6.151	

100 ft to 5,800 ft				Make up Torque ft-lbs			Total ft = 5,700
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	23 #/ft	J-55	LT&C	3130	2350	3910	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
3,270 psi	4,360 psi	313,000 #		366,000 #		6.25	

5,800 ft to 7,387 ft				Make up Torque ft-lbs			Total ft = 1,587
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
4,320 psi	4,980 psi	367,000 #		415,000 #		6.151	

DV tools placed at 6000'.

Stage I: Cemented w/300sx with TOC= 6000'

Stage II: Cemented w/900sx with TOC= 0'

Production

0 ft to 11,557 ft				Make up Torque ft-lbs			Total ft = 11,557
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020	2270	3780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
8,650 psi	10,690 psi	279,000 #		367,000 #		3.875	

DV tool placed at approx. 6500' and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 6500'.

Cemented w/520sx with TOC= 6500'