

District I - (575) 393-6161
1625 N French Dr, Hobbs, NM 88240
District II - (575) 748-1283
811 S First St, Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd, Aztec, NM 87410
District IV - (505) 476-3460
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

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|--|--|---|
| <p>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)</p> | | <p>WELL API NO. 30-015-39483</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 & Gas Lease No. LG-5803</p> |
| <p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p> | | <p>7. Lease Name or Unit Agreement Name Puppy BPP State Com</p> |
| <p>4. Well Location Unit Letter <u>D</u> : <u>390</u> feet from the <u>North</u> line and <u>200</u> feet from the <u>West</u> line Unit Letter <u>A</u> : <u>964</u> feet from the <u>North</u> line and <u>360</u> feet from the <u>East</u> line Section <u>2</u> Township <u>17S</u> Range <u>27E</u> NMPM Eddy County</p> | | <p>8. Well Number 1Y</p> |
| <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3425'GR</p> | | <p>9. OGRID Number 025575</p> |
| <p>10. Pool name or Wildcat Empire; Wolfcamp, Northwest</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: Completion Operations ☒

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.

3/11/12 - Tagged at 6297'. Drilled DV tool at 6297'. Tested DV tool to 1000 psi, held good. Drilled 2' cement from 6299'-6301'.

Started drilling on debris sub at 6301' and circulated hole clean.

3/12/12 - Circulated down to 6333'. Circulated hole with 3% KCL.

3/13/12 - Ran a CBL/GR/CC log with 1200 psi on casing from 6306' to surface. Slowly pressured up on 5-1/2" casing to 2250 psi at 1 BPM rate. Started taking fluid at 2250 psi at 1 BPM. Pumped 1 bbl at 2250 psi at 1 BPM. Broke 2250 psi in 5 min 1467 psi, 10 min 1400 psi and 15 min 1354 psi. Pumped a total of 4 bbls fluid. ND BOP.

3/14/12 - Pressure tested lines to 6000 psi, good. Opened wellhead, had no pressure. Casing was already loaded. Brought right up to 2 BPM. Took 30 bbls to get pressure up to 4500 psi and 9 BPM. Had 110 bbls packer fluid pumped when pressure spiked and kicked out pumps. Had kick outs set for 5200 psi. Set kick outs for 6000 psi. Brought pressure up to 5950 psi and was holding good. Bled well down. Ran pressure back to 5900 psi, but did not break back and was holding good.

3/19/12 - Pressure tested lines to 9000 psi. Opened up wellhead. Hole was loaded. Pressured casing up to 6420 psi when hydro port opened up at 10,275'. Pumped 130 bbls treated fluid along with 110 pumped for a total of 240 bbls.

Spud Date:

9/28/11

Rig Release Date:

3/3/12

RECEIVED

MAY 01 2012

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 Reporting Supervisor DATE April 29, 2012

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

For State Use Only

APPROVED BY: T. Huerta TITLE Geologist DATE 5 2012

Conditions of Approval (if any)

Form C-103 continued:

4/8/12 – Frac stages 1-3 using 20# borate x-linked gel system carrying 30/50 Jordan-Unimin. Port 1 10,275' - avg rate 46.2 BPM, avg press 7409 psi, total prop 133,694# 30/50 Jordan, Load 3336 bbls. Dropped 1.875" ball, saw ball hit. Opened port 2 10,100' - avg rate 50.7 BPM, avg press 7195 psi, total prop 132,219#, load 3032 bbls. Dropped 2" ball, saw ball hit. Port 3 9985' – avg rate 55.2 BPM, avg press 7251 psi, total prop 127,461#, load 3208 bbls. While on #3 sand had a 1600 psi drop in pressure. Thought may have problems at that point but finished out stage 3. Dropped 2.125" ball but never saw ball hit. Manually dropped 2.25" ball in wellhead. Pumped casing volume and again did not see ball hit.

4/9/12 – Put 3.125" ball activator for stage 12 on port sub. Pressure tested to 5000 psi. Opened up wellhead. Had 2650 psi. Ran down 20' inside well. Began pumping at 1 BPM for 15 bbls. Pressure leveled off at 2670 psi. Tagged at 8121'. Picked up 10' and pumped 10 bbls at 1 BPM. Pressure stayed at 2650 psi. Seated ball and pressured casing up to 3150 psi, held good for 30 min. Bled down pressure to 2650 psi. Unseated ball. Picked up 2.625" ball for stage 8. Tagged at 8969'. Pumped 10 bbls at 1 BPM at 2650 psi. Seated ball. Kicked pump in but would not pressure up. Picked up 2.875" ball for stage 10. Tagged at 8522'. Pumped 10 bbls at 1 BPM at 2650 psi. Seated ball. Pressured casing up to 3100 psi, held good for 30 min. Bled down pressure to 2650 psi. Unseated ball. Bad spot in casing between stages 8 and 10.

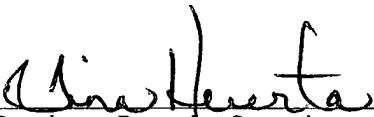
4/10/12 – Removed balls for stages 6, 7 and 8. Manually dropped ball for stage 9. Opened wellhead. Had 2600 psi. Dropped 2.750" ball, saw ball hit. Pressured up to 4929 psi. Opened port at 8722'. Frac using a 20# borate x-linked gel system carrying 30/50 Jordan-Unimin, avg rate 41 BPM, avg press 5382, total prop 131,919#, load 3212 bbls. Dropped 2.875" ball for stage 10, saw ball hit. Opened port 8520', avg rate 40 BPM, avg press 5633', total prop 130,765#, load 3005 bbls. Dropped 3" ball for stage 11, saw ball hit. Opened port 8316', avg rate 46.6 BPM, avg press 5157 psi, total prop 127,628#, load 3008 bbls. Dropped 3.125" ball for stage 12, saw ball hit. Opened port 8118', avg rate 49.7 BPM, avg press 5002 psi, total prop 121,455#, load 2900 bbls. Dropped 3.250" ball for stage 13, saw ball hit. Opened port 7915', avg rate 49.2 BPM, avg press 5605 psi, total prop 129,491#, load 2990 bbls. Dropped 3.375" ball for stage 14, saw ball hit. Opened port 7713', avg rate 49.8 BPM, avg press 5311 psi. Dropped 3.5" ball for stage 15, saw ball hit. Opened port 7510', avg rate 50 BPM, avg press 5088, total prop 137,118#, load 3040 bbls. Dropped 3.625" ball for stage 16, saw ball hit. Opened port 7266', pumped away acid and had to shut down due to lightning.

4/11/12 – Frac stage 16 using a 20# borate x-linked gel system carrying 30/50 Jordan-Unimin, avg rate 50 BPM, avg press 4424 psi, total prop 137,630#, load 3038 bbls. Dropped 3.750" ball for stage 17, saw ball hit. Opened port 7063', avg rate 50 BPM, avg press 5010 psi, total prop 132,439#, load 3050 bbls. Dropped 3.875" ball for stage 18, saw ball hit. Opened port 6859', avg rate 50 BPM, avg press 4284 psi, total prop 135,848#, load 3094. Dropped 4" ball for stage 19, saw ball hit. Opened port 6655', avg rate 50 BPM, avg press 4366 psi. Dropped 4.125" ball for stage 20, saw ball hit. Opened port 6452', avg rate 50 BPM, avg press 4026 psi, ISDP 3658 psi, 15 min 3338 psi, load 3033 bbls, total prop 136,507#.

4/12/12 – 4/13/12 – Flanged up coil tubing. Milled through all seats on all ports. POOH with coil tubing. Rigged down and moved off coiled tubing. 2-7/8" 6.5# J-55 tubing at 5650'.

4/22/12 – Turned well over to production.

Wellbore schematic, deviation and directional surveys attached


Regulatory Reporting Supervisor
April 29, 2012

Well Name: Puppy BPD St Conn #1 Field:

Location: 390' FUL & 200' FUL Sec 2-17S-27E Eddy Co NM

GL: 3437' Zero: _____ AGL: _____ KB: 3455.5'

Spud Date: _____ Completion Date: _____

Comments: Horizontal well.

BHL 1170' FUL & 700' FUL Sec 2-17S-27E

| Casing Program | |
|--------------------|-----------|
| Size/Wt/Grade/Conn | Depth Set |
| 13 3/8 40# J55 | 346' |
| 9 5/8 36# K55 | 1666' |
| 5 1/2 17# HCP110 | 10345' |
| | |
| | |
| | |

CURRENT CONFIGURATION

