

District I - (575) 393-6161

Energy, Minerals and Natural Resources

Revised August 1, 2011

1625 N French Dr., Hobbs, NM 88240

District II - (575) 748-1243

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

RECEIVED

MAY 11 2012

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

INMOCD ARTESIA

WELL API NO.

30-015-38575

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

LG-2041

7. Lease Name or Unit Agreement Name

Anthill AAK State Com

8. Well Number

2H

9. OGRID Number

025575

10. Pool name or Wildcat

Parkway; Bone Spring

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 ☒ Gas Well ☐ Other ☐

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter I : 1980 feet from the South line and 330 feet from the East line
Unit Letter L : 1980 feet from the South line and 330 feet from the West line
Section 2 Township 20S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3303'GR

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Surface and 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.

4/19/12 - Resumed drilling at 6:15 PM.

4/20/12 - TD 17-1/2" hole to 415'. Set 13-3/8" 48# J-55 ST&C casing at 415'. Cemented with 100 sx RFC (yld 1.62, wt 14.2).

Tailed in with 460 sx Class "C" + 0.125#/sx D130 + 0.02 GPS D177 + 3#/sx D042 + 0.2% D046 + 0.5% S01 (yld 1.35, wt 14.8).

Circulated 110 sx to pit. Tested casing to 600 psi for 30 min. WOC 29 hrs 45 min. Reduced hole to 12-1/4" and resumed drilling.

4/24/12 - TD 12-1/4" hole to 2734' at 5:45 AM. Set 9-5/8" 36# K-55 LT&C casing at 2734'. Cemented stage 1 with 220 sx PVL +

0.125#/sx D130 + 4% D20 + 5% D44 + 1.5% S1 + 0.2% D46 + 5#/sx D42 (yld 2.01, wt 12). Tailed in with 200 sx 50/50 Poz "C" +

0.125#/sx D130 + 5% D44 + 0.2% D46 + 5#/sx D42 + 0.2% D65 (yld 1.36, wt 14.2). Cemented stage 2 with 735 sx PVL + 0.125#/sx

D130 + 4% D20 + 5% D44 + 1% S1 + 0.2% D46 + 5#/sx D42 (yld 2.01, wt 12). Tailed in with 200 sx 50/50 Poz "C" + 0.125#/sx

D130 + 5% D44 + 0.2% D46 + 3#/sx D42 + 0.2% D065 (yld 1.36, wt 14.2). Circulated 216 sx to pit. Tested casing to 1200 psi for 30

min. WOC 41 hrs 45 min. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

4/12/12

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 Reporting Supervisor

DATE

May 10, 2012

Type or print name

Tina Huerta

E-mail address:

tinah@yatespetroleum.com

PHONE:

575-748-4168

For State Use Only

APPROVED

BY:

SR Dade

TITLE

Dist H Supervisor

DATE

05/11/2012

Conditions of Approval (if any):