Submit 1 Copy To Appropriate District Office
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

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NMOCD ARTESIA

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised August 1, 2011

WELL API NO. 30-015-38170	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No. VB-0839	
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)	7. Lease Name or Unit Agreement Name Quail BQL State Com
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 1H
2. Name of Operator Yates Petroleum Corporation	9. OGRID Number 025575
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	10. Pool name or Wildcat Wildcat; Bone Spring

4. Well Location

Unit Letter	O	:	330	feet from the	South	line and	1650	feet from the	East	line
Unit Letter	B		330	feet from the	North	line and	1650	feet from the	East	line
Section	2		Township	26S	Range	30E	NMPM	Eddy	County	

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3220'GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		OTHER: Production 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.

5/24/12 – TD 8-3/4" pilot hole to 10,000'.
5/26/12 – Cemented isolation plug at 9984' with 85 sx Class "H" cement with additives. Calc TOC at 9784'. Cement KOP at 9576' with 360 sx Class "H" cement with additives Calc TOC at 8976'.
5/27/12 – Tagged cement at 8650'. Drilled cement from 8650'-8848'. Dressed cement from 8848'-9175'. WOC. Dressed cement from 9175'-9210'. WOC. Dressed cement from 9210'-9242'.
5/29/12 – Circulated and TIH to 9242'. Break circulation every 5 stands. Worked through from 9242'-9252'. Continue to drill directionally.
5/30/12 – Drilled to 10,016' and reduced hole to 8-1/2" and continued to drilling.
6/7/12 – TD 8-1/2" hole to 14,156'. Set 5-1/2" 17# P-110 LT&C casing at 14,144'. DV tool/stage tool at 7485'. Float collar at 14,053'. Cemented stage 1 with 480 sx 35:65 Poz "H" + 0.3% D013 + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 0.03 GPS D177 + 6% D20 + 0.05% D208 (yld 2.06, wt 12.6). Tailed in with 660 sx TXI Lite + 75#/sx D049 + 0.5% D112 + 30% D151 + 1.5% D174 + 0.1% D208 + 0.8% D800 + 0.2% D46 (yld 1.82, wt 13). Circulated 82 sx to surface. Cemented stage 2 with 560 sx 35:65 Poz "H" + 6% D020 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.125#/sx D130 + 0.05% D208 (yld 2.06, wt 12.6). Tailed in with 360 sx 50:50 Poz "H" + 0.1% D013 + 2% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 2% D174 + 0.45% D207 (yld 1.36, wt 14.4). Calc TOC at 3290'. Bumped plug 4 bbls under calculated displacement.

Spud Date: 1/31/11 Rig Release Date: 6/11/12

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 July 10, 2012

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

For State Use Only

APPROVED BY: [illegible] TITLE Dist II Supervisor DATE 7/12/12

Conditions of Approval (if any):