

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
June 19, 2008

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

WELL API NO. 30-015-38550
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-4949
7. Lease Name or Unit Agreement Name Grande Mike AZK State
8. Well Number 3H
9. OGRID Number 025575
10. Pool name or Wildcat County Line Tank; Abo (Oil)

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Surface Lot 12 : 3310 feet from the North line and 200 feet from the West line BHL Lot 9 : 3550 feet from the North line and 330 feet from the East line Section 2 Township 16S Range 29E NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3723'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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/29/12 – Resumed drilling at 1:00 AM. TD 17-1/2" hole to 419'. Set 13-3/8" 48# J-55 ST&C casing at 419'. Cemented with 440 sx Class "C" + 2% CaCl (yld 1.34, wt 14.8). Circulated 29 sx to pit. Tested casing to 600 psi. WOC 22 hrs 50 min. Reduced hole to 12-1/4" and resumed drilling.

7/2/12 – TD 12-1/4" hole to 2604'. Set 9-5/8" 36# J-55 LT&C casing at 2604'. Cemented with 650 sx 35:65:6 Poz "C" + 0.13#/sx CF + 0.1% FL-52 + 4% gel + 5#/sx LCM-1 + 5% MPA-5 + 5% salt + 1% SMS (yld 2.13, wt 12.5). Tailed in with 200 sx Class "C" (yld 1.33, wt 14.8). Circulated 311 sx to pit. Tested casing to 1500 psi for 30 min, ok. WOC 23 hrs 15 min. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

6/20/12

Rig Release Date:

RECEIVED

JUL 12 2012

NMOC D 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 July 9, 2012

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

For State Use Only

APPROVED BY: DR Dade TITLE Dist H Supervisor DATE 7/2/12
Conditions of Approval (if any):