

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

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

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

WELL API NO.

30-015-40161

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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 P : 400 feet from the South line and 330 feet from the East line  
Unit Letter M : 400 feet from the South line and 330 feet from the West line  
Section 20 Township 18S Range 26E NMPM Eddy County

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

3418'GR

7. Lease Name or Unit Agreement Name  
Kent BSK

8. Well Number

1H

9. OGRID Number

025575

10. Pool name or Wildcat

Penasco Draw; San Andres-Yeso

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 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.

6/12/12 – Resumed drilling at 2:00 AM.

6/13/12 – TD 14-3/4" hole to 990'.

6/14/12 – Set 9-5/8" 36# J-55 ST&C casing at 990'. Cemented with 100 sx RFC + 1% PF044 + 0.7% PF053 (yld 1.53, wt 13) and 630 sx Class "C" + 2% PF1 + 4% PF20 + 0.125#/sx PF29 + 0.25#/sx PF46 (yld 1.75, wt 13.5). Tailed in with 200 sx Class "C" Neat (yld 1.34, wt 14.8). Cement did not circulate. Ran temperature survey and found TOC at 74'. Ran 1" pipe. Tagged at 140'. Cemented with 147 sx Class "C" Neat (yld 1.34, wt 14.8). Circulated 25 sx to surface. Tested casing to 1500 psi, ok. WOC 44 hrs 50 min. Reduced hole to 8-3/4" and resumed drilling.

RECEIVED

JUL 12 2012

NMOC D ARTESIA

Spud Date:

6/9/12

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 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 DR Dade TITLE Dist. H. Spewer DATE 7/12/12

Conditions of Approval (if any):