

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

RECEIVED  
JUL 30 2012  
NM OCD ARTESIA

WELL API NO.  
30-015-38170  
5. Indicate Type of Lease  
STATE ☒ FEE ☐  
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)

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 O : 330 feet from the South line and 1650 feet from the East line  
Unit Letter B : 362 feet from the North line and 1683 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

7. Lease Name or Unit Agreement Name  
Quail BQL State Com

8. Well Number  
1H

9. OGRID Number  
025575

10. Pool name or Wildcat <97814>  
~~Wildcat, Bone Spring~~  
WC; E-05 S2630010; B.S.

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Completion Operations <input checked="" type="checkbox"/>	

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.

6/18/12 - NU BOP. Tagged DV tool at 7465'.

6/19/12 - Tagged on DV tool at 7465' and drilled out. Circulated hole clean. Tested casing to 3000 psi, held good for 10 min. Tagged on cement at 14,021'. Tagged float collar at 14,040'. Circulated hole clean. Tested casing to 3000 psi, held good for 30 min.

6/20/12 - Pickled casing with 1200g 15% HCL acid and 500g Xylene. Circulated hole clean with 320 bbls 3% KCL with Oxygen Scavenger and corrosion inhibitors.

6/21/12 - Ran CBL/VDL/CC log from 9962'-100'. TOC at 3568'.

6/24/12 - Perforated Bone Spring 14,038' (10), 13,930' (12), 13,815' (12) and 13,700' (10). Pumped 20 bbls 3% KCL with chemicals into perfs.

6/25/12 - ND BOP.

7/8/12 - Pumped 5000g 7-1/2% HCL acid, 5210 bbls 25# borate x-linked, 233,207# 20/40 Jordan-Unimin sand, 70,198# 20/40 Super LC. Spotted 2500g 15% HCL acid. Perforated 13,585' (10), 13,470' (12), 13,355' (12) and 13,240' (10).

**CONTINUED ON NEXT PAGE:**

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 26, 2012

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

**For State Use Only**

APPROVED BY: T. C. Shepard TITLE Geologist DATE 7/31/2012

Conditions of Approval (if any):

**Form C-103 continued:**

7/9/12 – Pumped 6000g 7-1/2% HCL acid, 5054 bbls 25# borate x-link, 225,658# 20/40 Jordan-Unimin sand, 82,338# 20/40 Super LC. Spotted 2500g 15% HCL acid. Perforated 13,125' (10), 13,010' (12), 12,895' (12) and 12,780' (10). Pumped 6000g 7-1/2% HCL acid, 4763 bbls 25# borate x-link, 229,712# 20/40 Jordan-Unimin sand, 82,644# 20/40 Super LC. Spotted 2500g 7-1/2% HCL acid. Perforated 12,665' (10), 12,550' (12), 12,435' (12) and 12,320' (10). Pumped 6000g 7-1/2% HCL acid, 4579 bbls 25# borate x-link, 231,344# 20/40 Jordan Unimin sand, 79,390# 20/40 Super LC. Spotted 2500g 7-1/2% HCL acid. Perforated 12,205' (10), 12,090' (12), 11,975' (12) and 11,860' (10).


7/10/12 – Pumped 6000g 7-1/2% HCL acid, 4668 bbls 25# borate x-link, 232,662# 20/40 Jordan-Unimin sand, 82,898# 20/40 Super LC. Spotted 2500g 15% HCL acid. Perforated 11,745' (10), 11,630' (12), 11,515' (12) and 11,400' (10). Pumped 6000g 7-1/2% HCL acid, 4602 bbls 25# borate x-link, 231,828# 20/40 Jordan-Unimin sand, 83,163# 20/40 Super LC. Spotted 2500g 7-1/2% HCL acid. Perforated 11,285' (10), 11,170' (12), 11,055' (12) and 10,940' (10). Pumped 6000g 7-1/2% HCL acid, 4658 bbls 25# borate x-link, 232,640# 20/40 Jordan Unimin sand, 81,140# 20/40 Super LC. Spotted 2500g 7-1/2% HCL acid. Perforated 10,825' (10), 10,710' (12), 10,595' (12) and 10,480' (10). Pumped 6000g 15% HCL acid, 4761 bbls 25# borate x-link, 232,886# 20/40 Jordan-Unimin sand, 82,694# 20/40 Super LC.

7/11/12 – Spotted 2500g 7-1/2% HCL acid. Perforated 10,365' (10), 10,250' (12), 10,135' (12) and 10,020' (10). Pumped 6000g 7-1/2% HCL acid, 4650 bbls 25# borate x-link, 243,090# 20/40 Jordan-Unimin sand, 93,749# 20/40 Super LC.

7/13/12 – Cleaned well out down to PBDT 13,981'. Circulated hole clean with nitrogen.

7/17/12 – RIH with GR to 9200'. Set AS1-X packer with 2.25" F profile and blanket plug and 2-7/8" 6.5# L-80 tubing at 9100'. Spaced out and circulated 250 bbls packer fluid. Tested casing to 1000 psi, held good for 5 min.

Current wellbore schematic, deviation and directional surveys attached

  
Regulatory Reporting Supervisor  
July 26, 2012

WELL NAME: Quail BQL St Com #1H FIELD

LOCATION: Unit O, 330'FSL and 1650'FEL (Surf) Sec 2-26S-30E Eddy County

GL: 3,220' ZERO: KB: 3,246.5'

SPUD DATE: 1/31/11 COMPLETION DATE:

COMMENTS: API No: 30-015-38170

### CASING PROGRAM

13-3/8" 48# J-55 St&C	1250'
9-5/8" 36# J-55 & 40# K-55 LT&C	3,870'
5 1/2" 17# P-110 LT&C & Butress (Butress from 9,034' to TD)	14,144'

