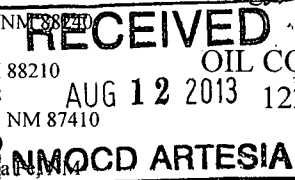


District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3466  
1220 S. St. Francis Dr., Santa Fe, NM 87505



OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-015-31913
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-2705
7. Lease Name or Unit Agreement Name Graham AKB State
8. Well Number 8
9. OGRID Number 025575
10. Pool name or Wildcat Lost Tank, Delaware

<p>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.)</p>	
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>	
<p>2. Name of Operator Yates Petroleum Corporation</p>	
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>	
<p>4. Well Location Unit Letter <u>E</u> : <u>1650</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>West</u> line Section <u>2</u> Township <u>22S</u> Range <u>31E</u> NMPM <u>Eddy</u> County</p>	
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3514' GR</p>	

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: ☐

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.

6/24/13 - Nipped up BOP. Picked up 5-1/2" AS1-X packer and TIH leaving packer swinging.  
6/25/13 - Set packer at 5307'. Pressure test casing to 1000 psi, held good for 10 mins. Set packer at 5342'. Pressure test down tubing and casing from 5342' to RBP at 6384' to 1000 psi for 10 mins held good. Hole in the casing from 5307-5342'. Pressure tested to 1000 psi lost 700 psi in 2 mins. Tried to get an injection rate into the hole pressured up to 3000 psi. Released packer. Tagged RBP at 6379'. Tagged up on RBP at 6384'.  
6/26/13 - Tagged up on RBP at 6384' and perf'd at 5342'. TIH with packer. Set at 5307'. Pumped 30 bbls into formation and released packer. Gauge ring down to 5520'. RIH with 5-1/2" retainer, set at 5257'. TIH with stinger. Tagged up and sting into retainer. Could not pump thru. Tried to jet out retainer still could not pump thru.  
6/27/13 - Tagged up on retainer at 5257'. Milled over retainer. Tagged up on retainer. Could not keep retainer in the shoe. TOO H.

**CONTINUED ON NEXT PAGE:**

Spud Date:

Rig Release Date:

*9*

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Laura Watts TITLE Regulatory Reporting Technician DATE August 7, 2013

Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

**For State Use Only**

APPROVED BY: RDade TITLE Dist # Supervisor DATE 8/9/13

Conditions of Approval (if any):

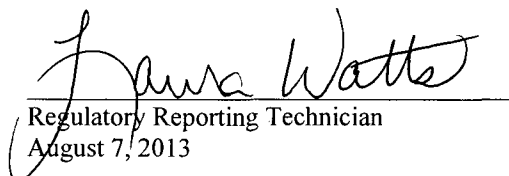
**Form C-103 continued:**

6/28/13 – 6/29/13 – Set 5-1/2" cement retainer at 5240'. Pumped 45 bbls thru tubing. Pumped 45 bbls into perfs 3 BPM @ 1000 psi. Pressure tested casing to 500 psi, held good for 5mins. Applied 1000 psi to casing. Pumped 100 sacks Class "C" cement with 2% CaCl followed by 100 sacks Class "C" Neat. Holed squeezed at 2450 psi. Sting out and reverse out 9 bbls of cement.

7/1/13 – 7/8/13 – Tagged up on cement at 5234' and drilled retainer down to 5460'. Fell out at 5340' and circulated hole clean. Tested casing to 500 psi for 30 mins, held good. Tagged up at 6370'. Work over retainer. Tagged up on RBP at 5670'. Washed sand down to RBP. Tagged up at 6379'. Tagged at 6376'.

7/9/13 – 7/16/13 – Tagged at 6376'. Tagged at 5210'. Did not tag anything at 5210'. Tagged at 6376'. TIH open ended to 6375'. RIH with downhole video camera to a depth of 6375'. View area of interest at 6376'. Looks like a B valve broke and wedged. Tagged at 6377'. Released RBP at 6378'. Worked RBP thru casing collars from 6378-3952'. Worked RBP at 3952' and started pulling free. Remainder of RBP still in hole – possibly at 3952'. Run magnet on wireline 2 times tagging at 3952'.

7/17/13 – 7/18/13 – Did not tag RBP at 3952'. TIH with spear to a depth of 4537'. NOTE: RBP had released and dropped down hole. TIH to a depth of 8215'. Tagged remainder of RBP. ND BOP. 2-7/8" 6.5# J-55 at 8164'.

  
Regulatory Reporting Technician  
August 7, 2013