

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 July 18, 2013

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-015-41754
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VO-3301-1
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Savannah State Com
4. Well Location Unit Letter <u>H</u> : <u>2260</u> feet from the <u>North</u> line and <u>150</u> feet from the <u>East</u> line Unit Letter <u>E</u> : <u>2260</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>West</u> line Section <u>32</u> Township <u>19S</u> Range <u>25E</u> NMPM <u>Eddy</u> County		8. Well Number 3H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,490' GR		9. OGRID Number 025575
		10. Pool name or Wildcat North Seven Rivers; Glorieta-Yeso

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

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

1/12/14 – Resumed drilling with rotary tools at 10:00 am. Note: Notified NMOCD of operations prior to resumed drilling.  
1/13/14 – TD 14-3/4" at 843'. Set 9-5/8" 36# J-55 LT&C casing at 843'. Cemented with 550 sacks Class "C" + 2.0#/sx B288 + 2.0#/sx B289 + 5.0% D020 + 5.0#/sx D042 + 5.0% D044 + 0.2% D046 + 0.3% D112 + 0.125#/sx D130 (yld 2.23, wt 12.8). Tailed in with 250 sacks Class "C" + 0.2% D046 + 0.125% D130 + 6.347 gal/sx D903 (yld 1.33, wt 14.8). Displaced with 62.9 bbls of drilling mud. Circulated 82 sacks to pit. Tested casing to 1200 psi for 30 mins, held good. WOC 17 hours 45 mins. Reduced hole to 8-3/4 and resumed drilling.

Spud Date: 1/7/14

Rig Release Date:

RECEIVED

JAN 24 2014

NMOCD ARTESIA

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 January 23, 2014

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

For State Use Only

APPROVED BY: [Signature] TITLE Dist. Rep. DATE 1/31/14

Conditions of Approval (if any):