

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

WELL API NO. 30-015-31911
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 5
9. OGRID Number 025575
10. Pool name or Wildcat Lost Tank; Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3514'GR

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 C : 330 feet from the North line and 2310 feet from the West line  
 Section 2 Township 22S Range 31E NMPM Eddy County

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

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

Yates Petroleum Corporation plans to test for casing leaks and repair as follows:

1. NU BOP. TOH with production equipment. Set RBP at 6900' and test to 2000 psi. Test backside to 2000 psi for 30 min (record test on 3000 psi, 1 hr chart). If casing tests good then latch on to RBP and release. TIH with production equipment, hang well on and return to production.
2. If casing does not test good, then begin trying to isolate holes in casing, testing every 20 stands until leak is isolated. Isolate the leak within one joint if possible. Try to establish a pump rate into the leak, limiting max pressure to 2000 psi. Latch on to RBP and release.
3. TIH with composite plug and cement retainer, set composite plug 30' below leak and retainer 30' above casing leak. Establish rate into casing leak. Squeeze at least 30 sx Class "H" cement into casing leak.
4. Sting out of retainer, reverse tubing clean. WOC. Drill out cement and pressure test casing to 2000 psi. Drill out composite plug and circulate clean. TIH to circulate sand off RBP. Release RBP and POOH.
5. TIH with production equipment, hang well on and return to production.

NM OIL CONSERVATION  
 ARTESIA DISTRICT

Spud Date:  Rig Release Date:  JUN 24 2014

RECEIVED

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 June 23, 2014

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

**For State Use Only**

APPROVED BY: [Signature] TITLE District Supervisor DATE 6/24/2014

Conditions of Approval (if any):