

Submit 3 Copies To Appropriate District Office  
District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

JUN 23 2009

Form C-103  
June 19, 2008

KM

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

WELL API NO. 30-015-35047
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-6515
7. Lease Name or Unit Agreement Name Draw BJJ State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Corral Canyon; Bone Spring, South

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>K</u> : <u>2310</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>36</u> Township <u>25S</u> Range <u>29E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3052'GR	

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: Plug off Bone Spring, squeeze existing Delaware, Perforate additional Bone Spring ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation plans to plug off Bone Spring, squeeze existing Delaware perfs, perforate additional Bone Spring as follows: Rig up all safety equipment as necessary. Set a CIBP at 8994' with 35' cement on top. Set a cement retainer at +/-6770' and squeeze Delaware 6836'-7038' with 100 sx Neat cement and 100 sx cement with 0.4% FLA. Stage squeeze to +/-1500 psi. Set a cement retainer at +/-5540' and squeeze Delaware 5602'-5740' with 75 sx Neat cement and 75 sx cement with 0.4% FLA. Stage squeeze to +/-1500 psi. SI 24 hrs to achieve compressive strength. Drill out both cement retainers, test and make sure the squeeze job went well. Perforate Bone Spring 7744'-7748' (12), 7794'-7798' (12), 7826'-7830' (12), 7854'-7858' (12), 7892'-7896' (12) and 7928'-7932' (12). Stimulate as needed. Perforate 2<sup>nd</sup> stage Bone Spring 7272'-7274' (6), 7330'-7334' (12), 7402'-7406' (12), 7506'-7510' (12), 7526'-7530' (12), 7552'-7556' (12) and 7602'-7606' (12). Stimulate as needed.

Spud Date:

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 Compliance Supervisor DATE June 23, 2009

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

For State Use Only

APPROVED BY: Asqu Beer TITLE Geologist DATE 6/30/09

Conditions of Approval (if any):

WELL NAME: Draw BJL St #1 FIELD:

LOCATION: 2310' FSL & 2310' FWL, Unit K, of Section 36-25S-29E Eddy County

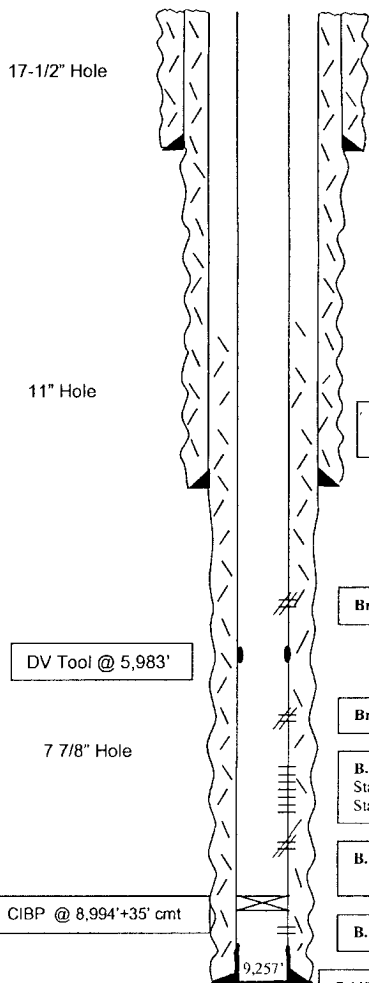
GL 3052 ZERO: KB: 3071

SPUD DATE: 10/14/06 COMPLETION DATE:

COMMENTS: API No. 30-015-35047

#### CASING PROGRAM

13-3/8" 48# H40 ST&C	581'
9-5/8" 32# J55 ST&C	3,504'
5 1/2" 17# J-55 LT&C	825'
5 1/2" 15 5# J55 LT&C	6112'
5 1/2" 17# J55 & L-80 LT&C	2,340'
	9,300'



13-3/8" @ 581'  
w/605 sx (Circ )

TOC @ 2970' (CBL)

9-5/8" @ 3,504'  
w/ 1410 sx (Circ)

Brushy Canyon 5,602'-5,606' (5), 5,724'-5,728' (5), 5,734'-5,740' (7) (squeezed)

Brushy Canyon 6,836'-6,846' (11), 6,858'-6,864' (7), 7,006'-7,010' (5), 7,026'-7,038' (13) (squeezed)

B. Spring Avalon shale perfs  
Stage 2 7272-74 (6), 7330-34 (12), 7402-06 (12), 7506-10 (12), 7526-30 (12), 7552-56 (12), 7602-06 (12)  
Stage 1 7744'-48' (12), 7794'-98' (12), 7826'-30' (12), 7854'-58' (12), 7892'-96' (12), 7928'-32' (12)

B. Spring perfs 8,036' - 8,044' (9), 8,140' - 8,144' (5), 8,156' - 8,160' (5),  
8,190' - 8,200' (11), 8,215' - 8,218' (4), 8,223' - 8,226' (4) (squeezed)

B. Spring perfs 9,044'-9,068' (25), 9,130'-9,138' (9)

5 1/2" @ 9,300'  
Stage 1: 972sx (circ)  
Stage 2: 657sx

**After**

#### Formation tops

Rustler	726'
TOS	1620'
BOS	3090'
Bell Canyon	3528'
Cherry Canyon	4582'
Brushy Canyon	5536'
Br Cny marker	6864'
Bone Springs	7088'

Not to Scale  
4/23/09  
MMFH