

Submit 1 Copy 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

Form C-103
October 13, 2009

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

WELL API NO. 30-015-35098
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-2516
7. Lease Name or Unit Agreement Name Mosley Canyon BIA State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat; Bone Spring (GAS)

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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	RECEIVED FEB - 9 2010 NMOCD ARTESIA
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>A</u> : <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Section <u>5</u> Township <u>24S</u> Range <u>25E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3814'GR	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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: Plugback and recomple <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 recomple.

12/28/09 – Began recomple. Tested annulus to 1500 psi, held good.

12/29/09 – NU BOP. Released packer at 9158'. TOOH with tubing. RIH with a gauge ring to a depth of 9250'. Set a 7" 26# CIBP at 9207' with 35' cement on top.

12/30/09-1/2/10 – Perforated Bone Spring 5504'-5514' (11), 5530'-5548' (19), 5558'-5562' (5) and 5604'-5616' (13) for a total of 48 holes. Spotted 4 bbls acid at 5616'. Acidized with 2500g 7-1/2% IC HCL with 100 ball sealers.

1/11/10 – Frac Bone Spring with a 30# Borate XL, 3169 bbls fluid, 5000# 100 mesh sand, 24,000# 20/70 White sand, 14,000# 20/40 White sand, 55,000# 20/40 RCS. Set a flow thru frac plug at 5400'. Perforated Bone Spring 5266'-5272' (7), 5282'-5286' (5), 5296'-5302' (7) and 5326'-5328' (3) for a total of 22 holes.

1/12/10 – Frac Bone Spring with a 30# Borate XL, 3101 bbls fluid, 5000# 100 mesh sand, 32,600# 40/70 White sand, 15,000# 20/40 White sand, 41,000# 20/40 RCS.

1/14/10 – Drilled flow thru plug at 5400'. TIH with bit to a depth of 5899'. Circulated hole clean. 2-7/8" tubing at 5851'.

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 February 2, 2010

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

For State Use Only

APPROVED BY: David Harg TITLE Field Supervisor DATE 2-11-2010

Conditions of Approval (if any):