

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

Form C-103
May 27, 2004

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

WELL API NO. 30-015-37552
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Osprey BPS State
8. Well Number 1H
9. OGRID Number 25575
10. Pool name or Wildcat Avalon Shale

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"/>	RECEIVED MAY 10 2010 NMOCD ARTESIA
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210	

4. Well Location Unit Letter <u>M</u> : <u>660</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>32</u> Township <u>25S</u> Range <u>26E</u> NMPM <u>Eddy</u> County	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3434'
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Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____	Depth to Groundwater _____
Distance from nearest fresh water well _____	
Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil	Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Bottom hole location for this well is Section 32, T25S-R26E, Unit P. 660' FSL and 330' FEL.

Yates Petroleum Corporation respectfully requests permission to change the hole and casing sizes for this well to the following:

Depth	Hole Size	Casing Size & Wt.	Sacks of Cement	Top of Cement
400'	17 1/2"	13 3/8" 48#	425sx	Circulated
1,700'	12 1/4"	9 5/8" 36#	625sx	Circulated

It is also requested that the intermediate casing be set at approx. 1700' rather than the 1900' originally permitted.

Depth	Hole Size	Casing Size & Wt.	Sacks of Cement	Top of Cement
10,315'	7 7/8" & 8 3/4"	5 1/2" 17#	2350sx	1,200'

Attached is a contingency plan if 7" 2nd interm. casing is run with 4 1/2" production.

Thank-you,

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Jeremiah Mullen TITLE Well Planner DATE May 6, 2010

Type or print name Jeremiah Mullen E-mail address: jmulen@yatespetroleum.com Telephone No. 575-748-4378

For State Use Only

APPROVED BY: Jacques TITLE Geologist DATE 5/11/2010
Conditions of Approval (if any):

Osprey BPS State #1H Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 6,173' MD (5,900' TVD). A 6 1/8" hole will then be drilled to 10,315' MD (5,900' TVD) where 4 1/2" casing will be set and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 5300'

2nd Intermediate

0 ft to 6,173 ft				Make up Torque ft-lbs			Total ft = 6,173
O.D.	Weight	Grade	Threads	opt.	min.	mx	
7 inches	23 #/ft	J-55	LT&C	3130	2350	3910	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
3,270	4,360 psi	313,000 #		366,000 #		6.25	

Lead w/650sx Lite crete (YLD 2.66 Wt. 9.9) tail w/125sx PVL (YLD 1.41 Wt 13) TOC = Surface

Production

0 ft to 10,315 ft				Make up Torque ft-lbs			Total ft = 10,315
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020	2270	3780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
8,650 psi	10,690 psi	279,000 #		367,000 #		3.875	

DV tool placed at approx. 5300' and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 5300'.

Cemented w/670sx PVL (YLD 1.41 Wt 13) TOC= 5300'