

RECEIVED

SEP 29 2009

HOBBSD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

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.)		WELL API NO. 30-015-36499
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. VB-827 & VO-5867
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Perdono BMP State Com
4. Well Location Surface L : 1650 feet from the South line and 660 feet from the West line BHL M : 5125 feet from the South line and 667 feet from the West line Section 24 Township 24S Range 27E NMPM Eddy County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3149'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Wildcat; Bone Spring

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: ☐OTHER: Completion Operations ☒

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.

6/9/10 – Tagged DV tool at 5706'. Drilled DV tool and tested to 1000 psi. Held good. Tagged PBTD at 12,749'.

6/10/10 – Tested production casing to 3000 psi, held good. Pickle casing and tubing with 1000g 15% HCL acid. Spotted 1500g 7-1/2% IC HCL inhibitor acid from 11,000'-12,749'. Tested production casing to 3000 psi, held good. Worked scraper across DV tool.

6/13/10 – Pressure tested production casing to 3500 psi, held good. Perforated Bone Spring 12,747', 12,572', 12,397' and 12,222' for a total of 40 holes. Frac w/a 30# borate XL, 5716 bbls fluid, 64,129# 40/70 white sand, 116,469# 20/40 white sand, 73,850# 20/40 RCS 7/30/10 – Pumped 1500g 7-1/2% IC HCL DI acid. Spotted acid from 10,600'-12,047'.

7/31/10 – Perforated Bone Spring 12,047', 11,872', 11,697', 11,522', 11,347', 11,172', 10,997' and 10,822'. Frac w/a 30# borate XL, 10,342 bbls fluid, 110,542# 40/70 Ottawa, 267,783# 20/40 Ottawa, 121,878# 20/40 RCS.

CONTINUED ON NEXT PAGE:

Spud Date:

8/1/08

Rig Release Date:

5/23/10

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 August 26, 2010Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: David Gray TITLE Field Supervisor DATE 10-12-10

Conditions of Approval (if any):

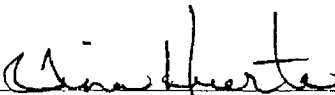
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Form C-103 continued:

8/11/10 – Spotted 1500g 7-1/2% HCL acid at 10,487'. Perforated Bone Spring 10,487', 10,337', 10,187' and 10,037' for a total of 40 holes. Spearhead 1500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 5577 bbls fluid, 60,893# 40/70 Ottawa, 118,519# 20/40 Ottawa, 79,937# 20/40 RCS.

8/12/10 – Spotted 1500g 7-1/2% HCL acid at 9887'. Perforated Bone Spring 9887', 9737', 9587' and 9437' for a total of 40 holes. Spearhead 1500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 5564 bbls fluid, 60,474# 40/70 Ottawa, 116,638# 20/40 Ottawa, 80,792# 20/40 RCS. Spotted 1500g 7-1/2% HCL acid at 9287'. Perforated Bone Spring 9287', 9137', 8987' and 8837' for a total of 40 holes. Spearhead 1500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 5691 bbls fluid, 61,682# 40/70 Ottawa, 117,107# 20/40 Ottawa, 87,311# 20/40 RCS. Spotted 1500g 7-1/2% HCL acid at 8687'.

8/13/10 – Perforated Bone Spring 8687', 8537', 8387' and 8237' for a total of 40 holes. Spearhead 1500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 5543 bbls fluid, 62,573# 40/70 Ottawa, 109,893# 20/40 Ottawa, 60,486# 20/40 RCS. Spotted 1500g 7-1/2% HCL acid at 8087'. Perforated Bone Spring 8087', 7937', 7787' and 7637' for a total of 40 holes. Spearhead 1500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 5583 bbls fluid, 58,697# 40/70 Ottawa, 118,885# 20/40 Ottawa, 42,286# 20/40 RCS. Spotted 1500g 7-1/2% HCL acid at 7487'. Perforated Bone Spring 7487', 7337', 7187' and 7037' for a total of 40 holes. Spearhead 1500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 5390 bbls fluid, 66,177# 40/70 Ottawa, 114,628# 20/40 Ottawa, 27,890# 20/40 RCS. Spotted 1500g 7-1/2% HCL acid at 6887'. Perforated Bone Spring 6887', 6737', 6587' and 6437' for a total of 40 holes. Spearhead 1500g 7-1/2% HCL acid ahead of frac. Frac w/a 30# borate XL, 5493 bbls fluid, 64,843# 40/70 Ottawa, 117,360# 20/40 Ottawa, 61,553# 20/40 RCS. 2-7/8" 6.5# L-80 tubing and 5-1/2" 17# WL set AS-1 packer with 2.25" blanking plug in place at 5645'.


Regulatory Compliance Supervisor
August 26, 2010