

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

NMNM124848X

Form C-103
October 13, 2009

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

WELL API NO. 30-015-37932
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Herradura Unit
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat San Lorenzo; Bone Spring

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	
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>330</u> feet from the <u>North</u> line and <u>760</u> feet from the <u>East</u> line Section <u>16</u> Township <u>24S</u> Range <u>25E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4130'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: ☐

OTHER: Intermediate casing 9-5/8" and 7" ☒

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.

12/11/10 - TD 12-1/4" hole to 3300'.

12/12/10 - Set 9-5/8" 36# K-55 LT&C casing at 3300'. Cemented stage 1 with 595 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 6% D20 + 2#/sx D42 + 5% D44 + 0.2% D46 (yld 2.08, wt 12.6). Tailed in with 200 sx Class "C" + 1% D13 (yld 1.33, wt 14.8). Circulated 121 sx to pit. Cemented stage 2 with 205 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 6% D20 + 2#/sx D42 + 5% D44 + 0.2% D46 (yld 2.08 wt 12.6). Tailed in with 100 sx Class "C" + 0.125#/sx D130 (yld 1.33, wt 14.8). Circulated 73 sx to pit. Tested casing to 1500 psi for 30 min. WOC 27 hrs 30 min. Reduced hole to 8-3/4" and resumed drilling.

12/24/10 - TD 8-3/4" hole to 9100'.

12/27/10 - Set 7" 26# HCP-110 L-80 LT&C casing at 9100'. Cemented stage 1 with 475 sx 35:65:6 Poz "H" + 10% D020 + 5% D044 + 0.4% D112 + 0.02g/sx D177 + 0.2% D046 (yld 2.26, wt 12.4). Tailed in with 200 sx Class "H" + 0.125#/sx D130 + 1.5% D174 + 0.4% D800 + 0.2% D46 + 3#/sx D42 + 0.2% D167 (yld 1.22, wt 15.6). Cemented stage 2 with 400 sx 35:65:6 Poz "C" + 6% D020 + 5% D044 + 0.125#/sx D130 + 0.2% D046 + 0.3% D013 + 2#/sx D042 (yld 2.07, wt 12.4). Tailed in with 100 sx Class "C" + 0.2% D13 (yld 1.33, wt 14.8). Note: Notified NMOCD via voicemail of not circulating cement on 2nd intermediate casing and notified Bob Hoskinson with BLM on 12-28-10. Tested casing to 1500 psi for 30 min. Reduced hole to 6-1/8" and resumed drilling.

Spud Date:

7/30/10

Rig Release Date:

RECEIVED
JAN 04 2011
NMOCD ARTESIA

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 December 30, 2010

Type 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 1-4-11

Cox

Conditions of Approval (if any):