

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. 30-015-37549
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0693
7. Lease Name or Unit Agreement Name B. Graham BPU State
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat; Bone Spring, <i>RED BLUFF, SOUTH</i>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2941' GR

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 M : 380 feet from the South line and 200 feet from the West line Unit Letter P : 414 feet from the South line and 4948 feet from the West line Section 1 Township 26S Range 28E NMPM Eddy County

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: Completion Operations <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 recompletion.

8/21/10 - TIH to DV tool at 5800'.
8/22/10 - Drilled out DV tool at 6014'. Circulated clean. Tested to 3000 psi for 30 min, held good. Worked scraper through DV tool several times.
8/23/10 - Ran bit to 11,315'. Tagged float collar. Circulated clean. Tested casing to 3000 psi for 30 min, held good. Pickled and displaced hole with 1000g 15% HCL.
8/30/10 - Spotted 2500g 7-1/2% NEFE at 11,305'.
8/31/10 - Run GR/CCL/CBL from 7100' up to surface under 1500 psi of pressure.
9/1/10 - Perforated Bone Spring 10,745' (6), 10,885' (6), 11,025' (6), 11,165' (6) and 11,305' (6).
11/2/10 - Frac down casing using a 5#, 20# and a 30# borate x-linked gel system. Total prop 324,877# of 40/70 mesh and 20/40 Ottawa. Spotted 1800g 7-1/2% HCL across perms. Perforated Bone Spring 10,605' (6), 10,465' (6), 10,325' (6), 10,185' (6) and 10,045' (6). Frac down casing using a 5#, 20# and 30# borate x-linked gel system. Total prop 316,330# of 40/70 mesh and 20/40 Ottawa.

CONTINUED ON NEXT PAGE:

Spud Date: 6/30/10

Rig Release Date: 8/11/10

RECEIVED
DEC 02 2010
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 November 29, 2010

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

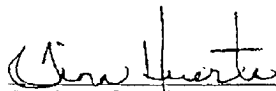
APPROVED BY: David Gray TITLE Field Supervisor DATE 12-6-2010
Conditions of Approval (if any):

Yates Petroleum Corporation
B. Graham BPU State #1H
Section I-T26S-R28E
Eddy County, New Mexico
Page 2

Form C-103 continued:

11/3/10 – Spotted 1800g 7-1/2% HCL across perfs. Perforated Bone Spring 9905' (6), 9765' (6), 9625' (6), 9485' (6) and 9345' (6). Frac down casing using a 5#, 20# and 30# borate x-linked gel system. Total prop 330,409# of 40/70 mesh and 20/40 Ottawa.

11/4/10 – Spotted 1800g 7-1/2% HCL across perfs. Perforated Bone Spring 9205' (6), 9065' (6), 8925' (6), 8785' (6) and 8645' (6). Frac down casing using a 5#, 20# and 30# borate x-linked gel system. Total prop 343,760# of 40/70 mesh and 20/40 Ottawa. Spotted 1800g 7-1/2% HCL across perfs. Perforated Bone Spring 8505' (6), 8365' (6), 8225' (6), 8085' (6) and 7945' (6). Frac down casing using a 5#, 20# and 30# borate x-linked gel system. Total prop 336,340# of 40/70 mesh and 20/40 Ottawa. Spotted 1800g 7-1/2% HCL across perfs. Perforated Bone Spring 7805' (6), 7665' (6), 7525' (6), 7385' (6) and 7245' (6). Frac down casing using a 5#, 20# and 30# borate x-linked borate gel system. Total prop 254,011# of 40/70 mesh and 20/40 Ottawa. Flow through composite plugs at 9925' and 10,625'. 2-7/8" 6.4# L-80 tubing at 6396'.


Regulatory Compliance Supervisor
November 29, 2010

District I

1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-4720

District II

1361 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Bravo Rd., Artesia, NM 87410
 Phone:(505) 354-6170 Fax:(505) 354-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico**Energy, Minerals and Natural Resources****Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505**

Form O-102
 Permit 106154

WELL LOCATION AND ACREAGE DEDICATION PLAT**Red Bluff;**

1. API Number 30-015-37548	2. Pool Code 51010	3. Pool Name Wildcat-Bone-Spring
4. Property Code 38015	5. Property Name BILLY GRAHAM STATE	6. Well No. 001H
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 2941

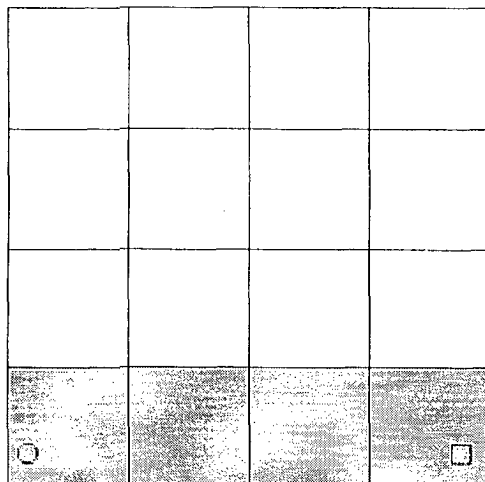
**Bone Spring
South****10. Surface Location**

UL - Lot M	Section 1	Township 26S	Range 28E	Lot Loc P	Feet From 380	N/S Line S	Feet From 200	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 1	Township 26S	Range 28E	Lot Loc P	Feet From 414	N/S Line S	Feet From 404.5	E/W Line =W	County EDDY
12. Dedicated Acres 100.00	13. Joint or Infill	14. Dedication Code	15. Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Diana Briggs

Title: Production Manager

Date: 1/18/2010

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: RONALD J. EIDSON

Date of Survey: 1/18/2010

Certificate Number: 3239