

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. 30-015-38261 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0815
7. Lease Name or Unit Agreement Name Trojans BQT State ✓
8. Well Number 1H ✓
9. OGRID Number 025575
10. Pool name or Wildcat Rock Spur; 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 ☒ Gas Well ☐ Other

2. Name of Operator
Yates Petroleum Corporation ✓

3. Address of Operator
105 South Fourth Street, Artesia, NM 88210

4. Well Location
Unit Letter P : 660 feet from the South line and 330 feet from the East line
Unit Letter M : 660 feet from the South line and 330 feet from the West line
Section 36 Township 25S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
2916'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: Production casing ☒

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.

1/29/11 - Reached TVD 8-3/4" hole to 9570'.

1/31/11 - Set a cement plug with 60 sx Class "H" from 9210'-9110'. Set a 2nd cement plug with 163 sx Class "H" from 8400'-8180'. Set a 3rd cement plug with 267 sx Class "H" from 7700'-7200'.

2/1/11 - Pumped KOP with 350 sx Class "H" cement at 6650'.

2/3/11 - Tagged cement and dress off KOP plug.

2/5/11 - Kicking off plug/time drill to 6395' and continued to drill directionally.

2/13/11 - Drilled to 7348' and reduced hole to 8-1/2" and resumed drilling.

2/24/11 - Reached TMD 8-1/2" hole to 11,342'.

2/27/11 - Set 5-1/2" 17#, 20# N-80 P-110 LT&C casing at 11,342'. DV tool at 4987'. Float collar at 11,257'. Cemented stage 1 with 400 sx 35:65:6 Poz "C" + 6% D020 + 2#/sx D042 + 5% D044 + 1% D112 + 15% D800I + 0.125#/sx DE130 + 0.2% D046 (yld 2.08, wt 12.6). Tailed in with 900 sx PVL + 0.2% D046 + 0.5% D079 + 0.5% D112 + 30% D151 + 1.5% D174 + 0.03#/sx D177I + 0.8% D800 (yld 1.83, wt 13).

Dropped bomb and opened DV tool with 1142 psi. Cemented stage 2 with 400 sx 35:65:6 Poz "C" + 1% D112 + .125#/sx D130 + 6% D20 + 2#/sx D42 + 5% D44 + 0.2% D46 + 0.15% D800 (yld 2.08, wt 12.6). Tailed in with 100 sx Class "C" + 0.2% D13 (yld 1.33, wt 14.8).

Spud Date:

11/30/10

Rig Release Date:

2/28/11

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 March 2, 2011

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

For State Use Only

APPROVED BY: Donald Gray TITLE Field Supervisor DATE 3-8-11

Conditions of Approval (if any)