

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

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|---|
| WELL API NO. 30-015-37551 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VO-7679 |
| 7. Lease Name or Unit Agreement Name Bebop BPE State |
| 8. Well Number 1H |
| 9. OGRID Number 025575 |
| 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 Gas Well Other

2. Name of Operator
Yates Petroleum Corporation

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

4. Well Location
Surface D : 660 feet from the North line and 330 feet from the West line
BHL M : 330 feet from the South line and 660 feet from the West line
Section 36 Township 25S Range 31E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3313'GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

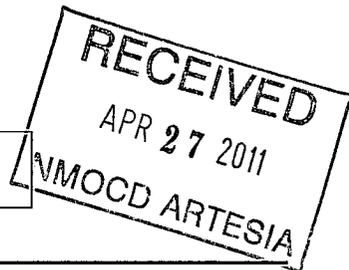
| | | | |
|--|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | 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: Production casing <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.

3/30/11 – Reached KOP at 8279’ and continued to drill directionally.
4/3/11 – Drilled to 9150’ and reduced 8-3/4” hole to 8-1/2” hole and continued drilling.
4/14/11 – Reached TD 8-1/2” hole to 12,760’.
4/17/11 – Set 5-1/2” 17#, 20# HCP-110 L-80 LT&C casing at 12,750’. DV tool/stage tool at 5987’. Float collar at 12,665’. Cemented stage 1 with 530 sx 35:65:6 Poz “C” + 1% D112 + 0.125#/sx D130 + 6% D20 + 5% D44 + 0.2% D46 + 2#/sx D42 (yld 2.08, wt 12.6). Tailed in with 630 sx PVL + 0.5% D112 + 30% D151 + 1.5% D174 + 0.025 GPS D177 + 0.5% D79 + 0.8% D800 + 0.2% D46 (yld 1.83, wt 13). Circulated 100 sx to pit. Cemented stage 2 with 280 sx 35:65:6 Poz “C” + 1% D112 + 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” + 0.2% D13 (yld 1.33, wt 14.8).

Spud Date: 1/31/11

Rig Release Date: 4/19/11



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 April 26, 2011

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

For State Use Only
Accepted for record
APPROVED BY: David Gray TITLE Field Supervisor DATE 5-3-11
Conditions of Approval (if any):