

HOBBS OCE

JUN 15 2011

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-39947

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VB-844

7. Lease Name or Unit Agreement Name
Quijote BQJ State Com

8. Well Number

1H

9. OGRID Number

025575

10. Pool name or Wildcat

Wildcat; 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

Surface	O	:	480	feet from the	South	line and	1650	feet from the	East	line
BHL	B	:	330	feet from the	North	Line and	1650	feet from the	East	line
Section	2			Township	26S	Range	32E	NMPM	Lea	County

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

3331'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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

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.

5/11/11 - TVD 8-3/4" hole to 10,296'.

5/13/11 - Set 1st cement plug (isolation) from 10,100'-9800' with 182 sx Class "H" cement. Set 2nd cement plug (kickoff) from 9058'-8550' with 310 sx Class "H" cement. WOC 12-1/2 hrs.

5/14/11 - TIH and tagged plug. Plug in place at 8482'. Washed 40' to top of plug. Dressed off cement kickoff plug and continued to drill directionally.

5/18/11 - Drilled to 9743' and reduced hole to 8-1/2" and continued to drill directionally

5/29/11 - Reached TD 8-1/2" hole to 13,428'.

5/31/11 - Set 5-1/2" 20# L-80 LT&C casing at 13,428'. DV tool/stage tool at 8493'. Cemented stage 1 with 120 sx 35:65:6 Poz "H" + 6% D020 + 3#/sx D042 + 5% D044 + 0.2% D046 + 0.5% D112 + 0.125#/sx D130 + 28#/sx D132 + 0 2% D201 + 61#/sx D909 (yld 2.09, wt 12.6). Tailed in with 860 sx PVL + 0.2% D046 + 0.5% D079 + 0.5% D112 + 30% D151 + 1 5% D174 + 0.9% D800 (yld 1.83, wt 13). Opened DV tool with 900 psi. Circulated 99 sx to pit. Cemented stage 2 with 700 sx 36.65:6 Poz "H" + 6% D020 + 3#/sx D042 + 5% D044 + 0.2% D046 + 0.5% D112 + 0 125#/sx D130 + 28#/sx D132 + 1.1% D201 + 61#/sx D909 (yld 2.09, wt 12.6). Tailed in with 100 sx 35:65:6 Poz "H" + 6% D020 + 3#/sx D042 + 5% D044 + 0 2% D046 + 0 5% D112 + 0.125#/sx D130 + 28#/sx D132 + 0.1% D201 + 61#/sx D909 (yld 1.55, wt 14).

Spud Date:

1/31/11

Rig Release Date:

6/1/11

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 June 14, 2011Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUN 15 2011

Conditions of Approval (if any):