

Submit 1 Copy To Appropriate District  
Office  
District I  
1625 N French Dr , Hobbs, NM 88240  
District II  
1301 W Grand Ave , Artesia, NM 88240  
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

HOBBS OGD

JUN 24 2011

WELL API NO. 30-025-40001
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-853
7. Lease Name or Unit Agreement Name Zapata BQZ 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 PERMIT 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 Surface N : 330 feet from the South line and 2180 feet from the West line BHL C : 330 feet from the North Line and 1980 feet from the West line Section 2 Township 26S Range 32E NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3256' 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: Intermediate 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.

6/17/11 – TD 12-1/4" hole to 4785'. Set 9-5/8" 36#, 40# K-55 HCK-55 LT&C casing at 4785'. Cemented with 1200 sx Class "C" + 4% D020 + 0.2% D046 + 0.125#/sx D130 + 94#/sx D903 (yld 1.97, wt 12.9). Tailed in with 361 sx Class "C" + 0.3% D201 + 94#/sx D903 (yld 1.33, wt 14.8). Circulated 458 sx to pit. Tested casing to 1200 psi for 30 min, Ok. WOC 36 hrs 30 min. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

1/31/11

Rig Release Date:

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 23, 2011

Type 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 27 2011  
Conditions of Approval (if any):