

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-31694

5. Indicate Type of Lease

STATE ☒FEE ☐

6. State Oil & Gas Lease No.

V-2443

7. Lease Name or Unit Agreement Name

Lotus ALT State

8. Well Number

2

9. OGRID Number

025575

10. Pool name or Wildcat

Livingston Ridge; Delaware, Southeast

SUNDRY NOTES 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 G : 1980 feet from the North line and 1980 feet from the East lineSection 32 Township 22S Range 32E NMPM Lea County

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

3538' 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: Convert to SWD

☒

SUBSEQUENT REPORT OF:

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

OTHER:

☐

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.

Yates Petroleum Corporation plans to convert this well to an SWD as follows:

1. MIRU WSU. NU BOP. Rig up all safety equipment as needed. POOH with tubing and all production equipment.

2. Release RBP at 8112'. No record of type but it was set with a guiberson on/off tool.

3. Spot a 25 sx Class "C" cement plug across DV tool from 8662'-8762'.

4. Spot a 25 sx Class "C" cement plug across DV tool from 7537'-7637'.

5. Set a CIBP at +/-6666' and cap with 35' cement.

6. Perforate Delaware 6286'-6298' (13), 6304'-6310' (7), 6320'-6328' (9), 6350'-6364' (15), 6382'-6398' (17), 6414'-6422' (9), 6446'-6450' (5), 6466'-6478' (13) and 6432'-6500' (19) for a total of 107 holes. Stimulate as needed.

7. Set a composite plug at +/-6260' and pressure test.

8. Perforate Delaware 5758'-5764' (7), 5800'-5808' (9), 5842'-5860' (19), 5890'-5908' (19), 5928'-5938' (11), 5948'-5956' (9), 5890'-6000' (11), 6006'-6012' (7), 6056'-6060' (5), 6092'-6100' (9) and 6120'-6130' (11) for a total of 117 holes. Stimulate as needed.

9. Flow the well back if it will flow. TIH to circulate out sand and drill composite plug. Clean out to PBTD at +/-6630'.

10. TIH with nickel plated packer at +/-5658' (100' above top perf) and 2-7/8" plastic coated tubing. Turn the well over to Production.

Wellbore schematics attached

Spud Date:

Rig Release Date:

SWD 1295

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 July 27, 2011Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: Mark Whittem TITLE Compliance Officer DATE 07/29/11

Conditions of Approval (if any):

WELL NAME: Lotus ALT State #2 FIELD:

LOCATION: 1980' FNL & 1980' FEL of Section 32-22S-32E Lea Co., NM

GL: 3,538 ZERO: KB:

SPUD DATE: 9/19/92 COMPLETION DATE:

COMMENTS: API No.: 30-025-31694

CASING PROGRAM

13-3/8" 54.5# J-55	858'
8-5/8" 32# HC-80& J-55	4,418'
5-1/2" 15.5#&17# J-55 & N-80	9,250'

17-1/2"
Hole

TOC 800' (TS)

13-3/8" @ 858' w/
825 sx cmt (Circ)

TOC @ 3826' (CBL)

11" Hole

8-5/8" @ 4,418' w/
1,450' sx cmt (TOC @ 800' TS)

Current

TOPS

Rustler 850'
Base of Salt 4,316'
Bell Canyon 4,583'
Cherry Canyon 5,557'
Brushy Canyon 7,265'
BS 8,528'

7 7/8" Hole

Delaware perms: 6,716'-6,888'

Delaware perms: 7,003'-7,186'

Delaware perms: 8,006'-8,016'

Delaware perms: 8,326'-8,339'

Delaware perms: 8,414'-8,430'

5-1/2" @ 9,250' w/
1st Stage: 100 sx (Circ)
2nd Stage: 225 sx (Circ)
3rd Stage: 800 sx (TOC @ 3826' CBL)

DV Tool @ 7,587'

RBP @ 8,112'

DV Tool @ 8,712'

FC: 9,205'
TD: 9,250'

Not to Scale
5/10/11
MMFH

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Lea Co., NM

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Hole

TOC, 800' (TS)

13-3/8" @ 858' w/
825 sx cmt (Circ)

TOC @ 3826' (CBL)

11" Hole

8-5/8" @ 4,418' w/
1,450' sx cmt (TOC @ 800' TS)Nickel plated pkr @ 5650'
3 1/2" or 2 7/8" PC tbg

7 7/8" Hole

CIBP @ 6,666
+35' cmt'Cmt plug across DV
tool, 7,537'-7,637'
DV Tool @ 7,587'Cmt plug across DV
tool, 8,662'-8,762'
DV Tool @ 8,712'Delaware perms: 5758'-64' (7), 5800'-08' (9), 5842'-60' (19),
5890'-5908' (19), 5928'-38' (11), 5948'-56' (9), 5890'-6000' (11),
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3rd Stage: 800 sx (TOC @ 3826' CBL)FC: 9,205'
TD: 9,250'**AFTER**

TOPS

Rustler	850'
Base of Salt	4,316'
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Brushy Canyon	7,265'
BS	8,528'

Not to Scale
5/10/11
MMFH