

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
OIL CONSERVATION DIVISION
220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

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)		WELL API NO. 30-025-40001
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VB-853
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Zapata BQZ State Com
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		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3256' GR		9. OGRID Number 025575
		10. Pool name or Wildcat Wildcat; Bone Spring

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.

6/23/11 – Drilled to 8658' KOP and continued to drill directionally.

6/27/11 – Drilled to 9255' and reduced hole to 8-1/2".

7/13/11 – TD 8-1/2" hole to 13,660'.

7/15/11 – Set 5-1/2" 20# L-80 LT&C casing at 13,660'. DV tool/stage tool at 7321'. Float collar at 13,567'. Cemented stage 1 with 200 sx 35:65:6 Poz "H" + 6% D020 + 3#/sx D042 + 5% D044 + 0.2% D046 + 1% D112 + 0.125#/sx D130 + 28#/sx D132 + 0.03g/sx D177 + 61#/sx D909 (yld 2.09, wt 12.6). Tailed in with 940 sx Class "C" + 0.2% D046 + 75#/sx D049 + 0.5% D079 + 0.5% D112 + 22.5#/sx D151 + 1.5% D174 + 0.3g/sx D177 + 0.9% D800 (yld 1.83, wt 13). Circulated DV tool at 7321' (full returns). Did not circulate any cement to pit. Cemented stage 2 with 550 sx 35:65:6 Poz "C" + 6% D020 + 2#/sx D042 + 5% D044 + 0.2% D046 + 1% D112 + 0.125#/sx D130 + 28#/sx D132 + 0.2% D201 + 61#/sx D903 (yld 2.08, wt 12.6). Tailed in with 100 sx Class "C" + 0.2% D201 (yld 1.33, wt 14.8). Closed DV tool. ND BOP. Tested to 5000 psi, OK.

Spud Date:

1/31/11

Rig Release Date:

7/17/11

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 July 28, 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 AUG 01 2011
Conditions of Approval (if any):