

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 88021
District IV
1220 S St. Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 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. 30-005-29121
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" 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. VA-2123
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Patsy BPI State
4. Well Location Unit Letter O : 660 feet from the South line and 1980 feet from the East line Section 35 Township 11S Range 31E NMPM Chaves County		8. Well Number 7
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4450' GR		9. OGRID Number 025575
		10. Pool name or Wildcat Wildcat; Mississippian

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: Set conductor, surface and 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.

8/19/11 - Opened hole to 30" at 3:30 PM in preparation of setting 40' of 20" conductor.

8/20/11 - Set 40' of 20" conductor and cemented to surface with 6 yds redi-mix. Notified Max Brown with NMOCD of intent to set conductor.

8/25/11 - Resumed drilling at 6:00 PM. TD 14-3/4" hole to 420'.

8/26/11 - Set 11-3/4" 42# H-40 ST&C casing at 420'. Cemented with 350 sx Class "C" cement with 2% CaCl (yld 1.34, wt 14.8). Circulated 84 sx to pit. Tested casing to 600 psi, Ok. WOC 19 hrs. Reduced hole to 11" and resumed drilling.

8/29/11 - TD 11" hole to 3739'.

8/30/11 - Set 8-5/8" 24#, 32# J-55 ST&C casing at 3696'. Cemented with 740 sx 35:65:6 Poz "C" + 0.125#/sx cellophane flake + 0.25% FL-52 + 5% salt + 0.005#/sx static free (yld 2.04, wt 12.5). Tailed in with 200 sx Class "C" + 0.005#/sx static free (yld 1.33, wt 14.8). Circulated 63 sx to pit. Tested casing to 1200 psi, Ok. WOC 24 hrs. Reduced hole to 7-7/8" and resumed drilling.

Spud Date:

2/26/10

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 September 6, 2011

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: (575) 748-1471

For State Use Only

APPROVED BY: [Signature] TITLE STAFF MGR DATE 9-8-2011

Conditions of Approval (if any)

SEP 08 2011