

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

Form C-103
October 13, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBS OCD

OCT 24 2011

RECEIVED

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. / 30-025-40054
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-1192
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Basilisk BQS State Com
4. Well Location Surface N : 330 feet from the South line and 1980 feet from the West line BHL C : 330 feet from the North Line and 1980 feet from the West line Section 36 Township 24S Range 32E NMPM Lea County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3557'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 ☐

OTHER ☐

SUBSEQUENT REPORT OF:

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

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.

10/1/11 - Made 56.5' in 3 hrs. Spudded 26" conductor hole at 11:30 AM. Set 90' of 20" conductor and cemented to surface with 10 yards redi-mix.
10/6/11 - Resumed drilling at 12:45 PM.
10/8/11 - TD 17-1/2" hole to 1050'. Set 13-3/8" 48# J-55 ST&C casing at 1050'. Cemented with 150 sx Class "H" + 10% D053 + 1% S001 (yld 1.61, wt 14.2) and 520 sx Class "C" + 4% D020 + 0.2% D046 + 2% S001 (yld 1.97, wt 12.9). Tailed in with 200 sx Class "C" + 0.2% D046 (yld 1.33, wt 14.8). Circulated 336 sx to pit. Cement did not fall back. Tested casing to 1000 psi for 30 min with no pressure loss. WOC 31 hrs. Reduced hole to 12-1/4" and resumed drilling.
10/13/11 - TD 12-1/4" to 4837'. Set 9-5/8" 36#, 40# K-55 HCK-55 LT&C casing at 4837'. Cemented with 1180 sx Class "C" + 0.125#/sx D130 + 4% D20 + 94#/sx D903 + 0.2% D46 (yld 1.97, wt 12.9) Tailed in with 360 sx Class "C" + 94#/sx D903 + 0.2% D46 + 0.2% D201 (yld 1.33, wt 14.8). Circulated 210 sx to pit. Tested casing to 1200 psi for 30 min with no pressure loss. WOC 32 hrs 45 min. Reduced hole to 8-3/4" and resumed drilling

Spud Date:

3/1/11

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 October 20, 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 OCT 25 2011

Conditions of Approval (if any):

OCT 25 2011