

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

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| 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 Unit Letter N : 330 feet from the South line and 1980 feet from the West line Unit Letter C : 375 feet from the North line and 1976 feet from the West line Section 36 Township 24S Range 32E NMPM Lea County | | 8. Well Number 1H |
| | | 9. OGRID Number 025575 |
| | | 10. Pool name or Wildcat Wildcat; Bone Spring |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3557'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: Completion Operations ☒

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.

11/13/11 - NU BOP.

11/15/11 - Tagged up on DV tool at 5130', drilled out and circulated clean. Tagged up on 2nd DV tool at 7000', drilled out and circulated clean. Tagged float collar at 13,587'.

11/16/11 - Tested casing to 3000 psi, held for 30 min, tested good. Displaced with 320 bbls Nalco 1385 inhibitor and 3% KCL. Made a scraper run over DV tools at 5130' and 7000'. Ran down to 9280'. Pressured up to 1500 psi on casing. Started logging up, logged to surface. TOC at 4465'.

11/20/11 - Tagged up at 13,583'. Perforated Bone Spring 13,565' (12), 13,452' (12), 13,339' (12) and 13,226' (12). Pumped 15 bbls into formation 2 BPM at 2000 psi.

11/21/11 - ND BOP.

CONTINUED ON NEXT PAGE:

Spud Date: 3/1/11

Rig Release Date: 11/2/11

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 January 11, 2012

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

For State Use Only

APPROVED BY: [Signature] TITLE [Redacted] DATE JAN 17 2012

Conditions of Approval (if any):

JAN 23 2012

Form C-103 continued:

12/14/11 – Pumped 180 bbls 15% HCL acid. Frac with 7531 bbls total linear gel and x-link, 15,309# 100 mesh sand, 64,204# Jordan-Unimin 40/70 sand, 198,954# Super LC 20/40. Perforated Bone Spring 13,113' (12), 13,000' (12), 12,887' (12) and 12,774' (12). Pumped 180 bbls 15% HCL acid. Frac with 7510 bbls total linear gel and x-link, 10,937# 100 mesh sand, 59,838# Jordan-Unimin 40/70 sand, 199,945# Super LC 20/40. Perforated Bone Spring 12,661' (12), 12,548' (12), 12,435' (12) and 12,322' (12). Pumped 180 bbls 15% HCL acid. Frac with 7407 bbls total linear gel and x-link, 15,459# 100 mesh sand, 62,168# Jordan-Unimin 40/70 sand, 198,702# Super LC 20/40. Perforated Bone Spring 12,209' (12), 12,096' (12), 11,983' (12) and 11,870' (12). Pumped 180 bbls 15% HCL acid. Frac with 7266 bbls total linear gel and x-link, 10,907# 100 mesh sand, 63,357# Jordan-Unimin 40/70 sand, 199,551# Super LC 20/40. Perforated Bone Spring 11,757' (12), 11,644' (12), 11,531' (12) and 11,418' (12). Pumped 180 bbls 15% HCL acid. Frac with 7353 bbls total linear gel and x-link, 13,141# 100 mesh sand, 64,327# Jordan-Unimin 40/70 sand, 199,270# Super LC 20/40.

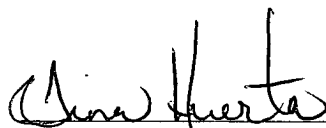
12/16/11 – Perforated Bone Spring 11,307' (12), 11,192' (12), 11,079' (12) and 10,966' (12). Pumped 180 bbls 15% HCL acid. Frac with 7300 bbls total linear gel and x-link, 13,896# 100 mesh sand, 62,084# Jordan-Unimin 40/70 sand, 200,232# Super LC 20/40. Perforated Bone Spring 10,853' (12), 10,740' (12), 10,627' (12) and 10,514' (12). Pumped 180 bbls 15% HCL acid. Frac with 7327 bbls total linear gel and x-link, 12,495# 100 mesh sand, 65,803# Jordan-Unimin 40/70 sand, 200,810# Super LC 20/40.

12/18/11 – Perforated Bone Spring 10,401' (12), 10,288' (12), 10,175' (12) and 10,062' (12). Pumped 180 bbls 15% HCL acid. Frac with 8314 bbls total linear gel and x-link, 12,598# 100 mesh sand, 63,997# Jordan-Unimin 40/70 sand, 198,360# Super LC 20/40. Perforated Bone Spring 9949' (12), 9836' (12), 9723' (12) and 9610' (12). Pumped 180 bbls 15% HCL acid. Frac with 7451 bbls total linear gel and x-link, 14,794# 100 mesh sand, 64,104# Jordan-Unimin 40/70 sand, 213,631# Super LC 20/40. Cleaned out well and tagged up at 13,500'. Circulated hole clean for 30 min with nitrogen.

12/22/11 – Finished circulating hole clean.

1/4/12 – Made a 4.61" GR/JB run down to 8650'.

1/5/12 – Circulated 220 bbls 2% KCL. Tested casing to 1000 psi, tested good for 10 min. 2-7/8" 6.5# L-80 tubing and AS-1 packer at 8500'.



Regulatory Compliance Supervisor
January 11, 2012