

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

HOBBS OCD
JAN 12 2012
RECEIVED

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

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)

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 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

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3557'GR

WELL API NO.
 30-025-40054 ✓

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 VB-1192

7. Lease Name or Unit Agreement Name
 Basilisk BQS State Com ✓

8. Well Number
 1H ✓

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: 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 5310' 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.

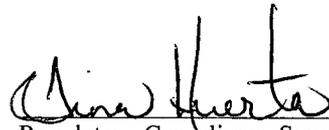
12/16/11 – Perforated Bone Spring 11,307' (12), 11,192' (12), 11,079' (12) and 10,966' (12). Pumped 180 bbls 15% HCL acid. Frac with 7300 bbls total linear gel and x-link, 13,896# 100 mesh sand, 62,084# Jordan-Unimin 40/70 sand, 200,232# Super LC 20/40. Perforated Bone Spring 10,853' (12), 10,740' (12),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