

Submit 1 copy to appropriate District Office
District I - (575) 393-6161
District II - (575) 748-1283
District III - (505) 334-6178
District IV - (505) 748-1283
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

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. 30-025-31694
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD-1295		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 V-2443
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Lotus-SWD
4. Well Location Unit Letter <u>G</u> : <u>1980</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>32E</u> Township <u>22S</u> Range <u>32E</u> NMPM Lea County		8. Well Number 2
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3538' GR		9. OGRID Number 025575
		10. Pool name or Wildcat SWD; Delaware

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: Convert to SWD, MIT and Name Change ☒

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.

9/11/11 -- Loaded tubing. Tested to 500 psi, held good. Unseated pump. Flushed tubing and rods with 50 bbls hot water. NU BOP.
9/12/11 -- Tagged up at 8060'. Washed fill down to 8120'. Circulated hole clean. Released RBP. TIH open ended with SN on bottom to 8781'.
9/13/11 -- Pumped 25 sx Class "H" cement with 2% CaCl and spotted mud gel to cover plugback section. 226' of fill from 8781' Est TOC at 8555'. WOC 2 hrs. Tagged TOC at 8523'. Pumped 25 sx Class "H" cement at 7656'. 226' of fill.
9/14/11 -- Tagged cement plug at 7528', good.
9/15/11 -- TIH with 4 5" GR and JB to 7500'. Set a 5-1/2" 10K Alpha CIBP at 6666'. Made 2 runs of cement on CIBP for 35'. Loaded casing took 7 bbls. Pressured casing to 2000 psi, held good for 15 min. Perforated Delaware 6286'-6298' (13), 6304'-6310' (7), 6320'-6328' (9), 6350'-6364' (15), 6382'-6398' (17), 6414'-6422' (9), 6432'-6500' (19), 6446'-6450' (5) and 6466'-6478' (13).
11/2/11 -- Opened up well and started frac on 2% KCL. Broke at 3250 psi. Pumped 60 bbls 7-1/2% HCL acid. Avg rate 70 BPM, avg psi 2200. Pumped 190,000# 16/30 Brown sand, 1550 bbls 25# borate X-linked gel. Flushed with 146 bbls 2% KCL. ISDP 872 psi. Perforated Delaware 5758'-5764' (7), 5800'-5808' (9), 5842'-5860' (19), 5890'-5908' (19), 5928'-5938' (11), 5948'-5956' (9), 5990'-6000' (11), 6006'-6012' (7), 6056'-6060' (5), 6092'-6100' (9) and 6120'-6130' (11).

CONTINUED ON NEXT PAGE:

Spud Date:

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 November 21, 2011

Type or print name Tina Huerta E-mail address tnah@yatespetroleum.com PHONE: 575-748-4168
For State Use Only

APPROVED BY [Signature] TITLE STAFF MGR DATE 2-29-2012
Conditions of Approval (if any)

PA Livingston Ridge Delaware

FEB 29 2012

Yates Petroleum Corporation
Lotus State SWD #2
Section 32-T22S-R32E
Lea County, New Mexico
Page 2

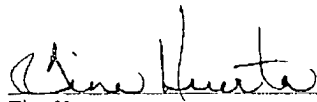
Form C-103 continued:

11/3/11 - Opened up well, had no pressure. Start on water break at 1705 psi. Switched to acid. Pumped 60 bbls 7-1/2% HCL acid. Avg rate 75 BPM, avg psi 2100. Pumped 201,000# 16/30 Brown sand. Pumped a total of 2139 bbls 25# X-linked gel. ISDP 1058 psi, 15 min 862 psi
11/8/11 - Cleaned out well down to PBTD at 6632' and circulated hole clean.
11/9/11 - Set 2-7/8" J-55 PC tubing and 5-1/2" x 2-7/8" ASI-X NP packer at 5638'.
11/10/11 - Circulated 160 bbls of packer fluid. Pressured up to 500 psi on casing for 30 min MIT. Tested good. *Original MIT attached.*

Former Wellname Lotus ALT State #2

New Wellname Lotus ~~State~~ SWD #2

Effective 11/11


Tina Huerta
Regulatory Compliance Supervisor
November 21, 2011

