

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

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

MAR 29 2012

<p>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)</p>		<p>WELL API NO. 30-025-31046</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other: P&A <input checked="" type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil & Gas Lease No. VO-6839</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Penroc BEP State</p>
<p>4. Well Location Unit Letter <u>C</u> : <u>660</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>5</u> Township <u>10S</u> Range <u>34E</u> NMPM Lea County</p>		<p>8. Well Number 1</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4254' GR</p>		<p>9. OGRID Number 025575</p>
<p>10. Pool name or Wildcat WC Morrow, WC Mississippian</p>		

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: ☐

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.

3-2-4-12 Open up well. NU BOP. Could not load casing. Pump 60 bbls down tubing and release packer. TOH with packer tallying out 2-7/8 inch tubing.

3-5-12 Open up well. Had no pressure. RIH with gauge ring to 12,270 feet. Set CIBP at 12,260'. RIH with open ended tubing. Tag CIBP at 12,260 feet. Circulate mud gel. Spot 60 SX Class H cement. Calc TOC at 11,722 feet. Spot 25 SX Class H cement at 8900 feet. Calc TOC at 8673 feet. Spot 25 SX Class C cement at 5900 feet. Calc TOC at 5647 feet. PUH to 4100 feet. RIH with squeeze perf gun, perf at 4100 feet.

3-6-12 Open up well. RIH with TBG and packer to 3840 feet. Could not circ out perfs at 4100 feet. Spot 25 SX Class C cement at 4150 feet. TOOH and WOC. Tag at 3842 feet. Perf at 2000 feet. RIH to packer at 1848 feet. Could not circ up surface casing. Spot 25 SX Class C cement at 2050 feet. WOC and tag at 1683 feet. Perf at 430 feet. Circ 150 SX Class C cement up surface casing. Had good returns. ND BOP. Top off well with 1/2 bbl cement. Hole standing full.

3-7-12 Well still standing full with cement.

3-8-12 Dig out cellar, cut off wellhead and installed dry hole marker. Clean and secure lease to OCD regulations. **WELL IS PLUGGED AND ABANDONED.**

Approved for plugging of well bore only.
Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web Page under www.enr.state.nm.us/oed.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sharon Coll TITLE Regulatory Reporting Technician DATE March 28, 2012

Type or print name Sharon Coll E-mail address: scoll@yatespetroleum.com PHONE: 575-748-4507

For State Use Only

APPROVED BY: [Signature] TITLE State Engineer DATE 4-4-2012

Conditions of Approval (if any):

APR 04 2012