

Office

Energy, Minerals and Natural Resources

Revised August 1, 2011

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 OOD

JUL 16 2012

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. 30-025-40303
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-1023/VB-1033
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Naguss BRN State Com
4. Well Location Unit Letter M : 660 feet from the South line and 330 feet from the West line Unit Letter P : 660 feet from the South line and 330 feet from the East line Section 30 Township 21S Range 34E NMPM Lea County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3672'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: Production 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.

6/17/12 - TD 8-3/4" pilot hole to 12,200'.

6/18/12 - Logged casing. Logs showed break in casing from 5356'-5370'.

6/19/12 - TIH to 12,198'. Ran gyro to 10,250'.

6/20/12 - Ran wireline gyro to 12,230'. Pumped 200 sx Class "H" cement isolation plug. Reverse circulated cement out of hole due to pipe being stuck. Circulated down drill pipe, while waiting on wireline truck.

6/21/12 - Ran freepoint wireline. Logs found 80% free at 5376', 5% free at 5385' and 0% free at 5390'. Locate collar and back off at 5339'. Spotted lube pill on top of fish.

6/22/12 - Tagged fish at 5339'. Jarred fish loose and TOOH with fish. Set an isolation plug at 12,189' with 200 sx Class "H" cement.

6/23/12 - Set kickoff plug with 440 sx Class "H" cement. WOC. TOOH to 9500'. WOC. Circulated bottoms up. WOC.

6/24/12 - Dressed off cement plug from 10,004'-10,250'.

CONTINUED ON NEXT PAGE:

Spud Date:

9/29/11

Rig Release Date:

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

SIGNATURE

TITLE

Regulatory Reporting Supervisor

DATE

July 12, 2012

Type or print name

Tina Huerta

E-mail address:

tinah@yatespetroleum.com

PHONE:

575-748-4168

For State Use Only

APPROVED BY:

TITLE

Dist. MGR

DATE

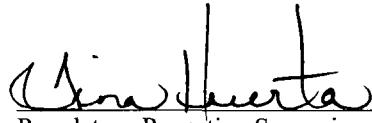
7-16-2012

Conditions of Approval (if any):

JUL 16 2012

Form C-103 continued:

6/27/12 – Set 7" 26# L-80 J-55 LT&C casing at 10,250'. DV tool/stage tools at 5156' and 7492'. Cemented stage 1 with 400 sx 35:65:6 Poz "H" + 0.4% D013 + 6% D020 + 29#/sx D035 + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 0.1% D208 + 61#/sx D909 (yld 2.06, wt 12.6). Tailed in with 150 sx 50/50 Poz + 0.2% D013 + 2% D020 + 42#/sx D035 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 2% D174 + 0.4% D207 + 47#/sx D909 (yld 1.38, wt 14.4). Circulated 180 sx to pit. Cemented stage 2 with 295 sx 35:65:6 Poz "C" + 0.2% D013 + 7% D020 + 29#/sx D035 + 3#/sx D042 + 5% D044 + 0.2% D046 + 0.3% D112 + 0.125#/sx D130 + 61#/sx D903 (yld 2.10, wt 12.6). Tailed in with 150 sx 50/50 Poz "C" + 42#/sx D035 + 3% D042 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.125#/sx D130 + 47#/sx D903 (yld 1.36, wt 14.2). Circulated 120 sx to pit. Cemented stage 3 with 290 sx 35:65:6 Poz "C" + 0.2% D013 + 7% D020 + 29#/sx D035 + 3#/sx D042 + 5% D044 + 0.2% D046 + 0.3% D112 + 0.125#/sx D130 + 61#/sx D903 (yld 2.10, wt 12.6). Tailed in with 150 sx 35:65:6 Poz "C" + 42#/sx D035 + 3% D042 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.125#/sx D130 + 47#/sx D903 (yld 1.36, wt 14.2). Circulated 11 sx to pit. Drilled DV tool at 5152'. Tested casing to 1500 psi for 30 min, good. Drilled DV tool at 7505'. Tested casing to 1500 psi for 30 min, good. Tagged up at 9729'. Tagged float collar at 10,212'. Tested casing to 1500 psi for 30 min, good. Drilled cement to 10,310'. Pumped 50 bbls 60 vis sweep. Reduced hole to 6-1/8" and continued to drill directionally.


Regulatory Reporting Supervisor
July 12, 2012