

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

HOBBS OGD

JUL 31 2012

RECEIVED

State of New Mexico

Energy, Minerals and Natural Resources

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-103

Revised August 1, 2011

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 9. OGRID Number 025575 10. Pool name or Wildcat Wildcat; Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3672'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: Production casing 2 ☒

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.

7/14/12 - Reached TD 6-1/8" hole to 15,030'.

7/16/12 - Set 4-1/2" 11.6# HCP-110 P-110 LT&C buttress casing at 15,025'. Frac sleeves at 11,294', 11,395', 11,496', 11,597', 11,698', 11,798', 11,900', 12,001', 12,102', 12,204', 12,306', 12,408', 12,510', 12,612', 12,713', 12,814', 12,960', 13,107', 13,253', 13,400', 13,546', 13,693', 13,840', 13,987', 14,134', 14,281', 14,428', 14,575', 14,722' and 14,870'. Float collar at 14,977'.

Cemented with 342 sx TXI + 0.2% D046 + 75#/sx D049 + 0.5% D112 + 30% D151 + 1.5% D174 + 0.1% D208 + 0.8% D800 (yld 1.82, wt 13). Displaced with 70 bbls sugar water and 163 bbls 3% KCL and corrosion chemicals.

Spud Date: 9/29/11

Rig Release Date: 7/19/12

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

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE July 30, 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 PETROLEUM ENGINEER DATE AUG 01 2012

Conditions of Approval (if any):

AUG 01 2012