

District I - (575) 393-6161

HOBBS OGD

Energy, Minerals and Natural Resources

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

AUG 17 2012

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-025-27250

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

V-3524

7. Lease Name or Unit Agreement Name

Berry APN State

8. Well Number

1

9. OGRID Number

025575

10. Pool name or Wildcat

Wildcat; Delaware

96447

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 T : 1980 feet from the South line and 660 feet from the West line

Section 5 Township 21S Range 34E NMPM Lea County

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

3731'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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐OTHER: Plugback and recomple ☒

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 recomple.

7/22/12 - MIRU, NU BOP. Found hole on top of TAC threads.

7/23/12 - Opened up well, had no pressure. Set an RBP at 8750'. Loaded hole with 323 bbls fresh water. Could not pressure up.

7/24/12 - ND BOP. Loaded hole with 30 bbls fresh water. Jack hammer cement around wellhead.

7/25/12 - Finished digging and chipping cement out of cellar down to 24" surface casing. Installed new cellar and rigged up completion unit. TIH with packer down to 24" surface casing. Installed new cellar. TIH with packer down to 320', tested casing. Bull plug leaking on 7" casing. Tightened up connection. Released packer and tested casing to 500 psi for 15 min, held good.

7/26/12 - Cut 24" conductor pipe down to reach 13-3/8" casing, dress off.

7/29/12 - Well standing full with water. Welded on 13-3/8" casing head and riser. Cut off 7" casing and installed riser. Installed 13-3/8" x 11" 5K spool. Pulled 65,000# into 7" casing and installed 11" 5K x 7-1/16" 5K tubing head. Tested head to 5000 psi, held good.

7/30/12 - Perforated Delaware 8542', 44', 46', 72', 74', 76', 84', 85', 86', 87', 88', 89', 90', 91' and 92' (15).

7/31/12 - Set packer at 8422' and tree up. Tested casing to 1000 psi, held good. Fixed packing and pumped 36 bbls acid. Flushed with 56 bbls 3% KCL.

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 Reporting Supervisor DATE August 16, 2012Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum EngineerDATE AUG 23 2012

Conditions of Approval (if any):

PA Berry, Bone Springs, North

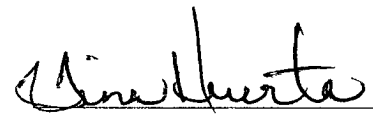
Yates Petroleum Corporation
Berry APN State #1
Section 5-T21S-R34E
Lea County, New Mexico
Page 2

Form C-103 continued:

8/1/12 – Pumped 280 bbls of pad, couldn't get good x-link. Pumped 812 bbls 25# delayed borate x-link, 63,860# 20/40 Ottawa sand, 9500# 20/40 Super LC sand.

8/2/12 – NU BOP. Released packer and tagged top of sand at 8670'.

8/6/12 – Set 2-7/8" 6.5# N-80 tubing at 8635'.



Regulatory Reporting Supervisor
August 16, 2012