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

State of New Mexico
Energy, Minerals and Natural Resources

HOBBS OCD
NOV 21 2012
RECEIVED

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

Form C-103
Revised August 1, 2011

WELL API NO. 30-025-36135	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No. V-2443	
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.)	7. Lease Name or Unit Agreement Name Lotus ALT State
1. Type of Well: Oil Well ☒ Gas Well ☐ Other	8. Well Number 4
2. Name of Operator Yates Petroleum Corporation	9. OGRID Number 025575
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	10. Pool name or Wildcat SWD ~~SE Livingston Ridge~~ Delaware
4. Well Location Unit Letter D : 990 feet from the North line and 330 feet from the West line Section 32 Township 22S Range 32E NMPM Lea County	
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3537'GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: Convert to SWD ☒		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.

Yates Petroleum Corporation plans to convert this well to SWD as follows:
1. MIRU WSU and NU BOP. RU all safety equipment as necessary.
2. Set a CIBP at +/-7012' and cap with 35' cement.
3. Perforate Delaware 6236'-6450' (58).
4. Frac well as attached.
5. Set a composite plug at +/-6180' and pressure test.
6. Perforate Delaware 5850'-6142' (59).
7. Frac well as attached.
8. Shut well in for a minimum 4 hrs to allow gel to break. Flow well back if it will flow. Circulate out sand and drill composite plug. Clean out to PBTD at +/-6977'.
9. TIH with nickel plated packer to +/-5750' (100' above top perf) and 2-7/8" plastic coated tubing. Turn well over to production.

Frac details and wellbore schematics attached. SWD-1314

Spud Date: ease Date:

Conditions of Approval: The Operator shall give the OCD District office 24 hours notice before work begins

CONDITION OF APPROVAL: Notify OCD Hobbs Office 24 hours prior to running MIT Test & Chart.

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 November 19, 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 11-29-2012

Conditions of Approval (if any):

DEC 03 2012

4. RD WL and frac down the 5 1/2" casing at 80-90 bpm using the following schedule.

Treating Schedule

Stage Number	gal	Prop Conc lb/gal	lbs Proppant Stage	lbs Proppant Cumulative		Proppant Type
1	5000.	0.00	0.	0.		2% KCL
2	5000.	0.00	0.	0.		7.5% IC HCL
3	10000.	0.00	0.	0.		linear gel
4	20000.	0.00	0.	0.		x-link pad
5	10000.	1.00	10000.	10000.	16/30	Brown sand
6	10000.	2.00	20000.	30000.	16/30	Brown sand
7	10000.	3.00	30000.	60000.	16/30	Brown sand
8	10000.	4.00	40000.	100000.	16/30	Brown sand
9	12000.	5.00	60000.	160000.	16/30	Brown sand
10	12000.	6.00	72000.	232000.	16/30	Brown sand
11	+/-6260.	0.0	0.	0.		2% KCL flush

Estimated Surface Treating Pressure @ 90 BPM = 3553 psig.

Fluid Specifications: 25# Borate Cross linked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. The liquid breaker must be pumped into the downhole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush. Under flush the well 2-3 bbl short of the top perf.

7. RD WL and frac through 5 ½" casing at 90 BPM using the following schedule.

Treating Schedule

Stage Number	gal	Prop Conc lb/gal	lbs Proppant Stage	lbs Proppant Cumulative		Proppant Type
1	5000.	0.00	0.	0.		2% KCL
2	5000.	0.00	0.	0.		7.5% IC HCL
3	10000.	0.00	0.	0.		linear gel
4	20000.	0.00	0.	0.		x-link pad
5	10000.	1.00	10000.	10000.	16/30	Brown sand
6	10000.	2.00	20000.	30000.	16/30	Brown sand
7	10000.	3.00	30000.	60000.	16/30	Brown sand
8	10000.	4.00	40000.	100000.	16/30	Brown sand
9	15000.	5.00	75000.	175000.	16/30	Brown sand
10	15000.	6.00	90000.	265000.	16/30	Brown sand
11	+/-5850.	0.0	0.	0.		2% KCL flush

Estimated Surface Treating Pressure @ 90 BPM = 3421 psig.

Fluid Specifications: 25# Borate Cross linked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. The liquid breaker must be pumped into the downhole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush. Under flush the well 2-3 bbl short of the top perf.

WELL NAME: Lotus ALT State #4 **FIELD:** SE Livingston Ridge Delaware

LOCATION: 990'FNL & 330' FWL Sec 32-22S-32E Lea County

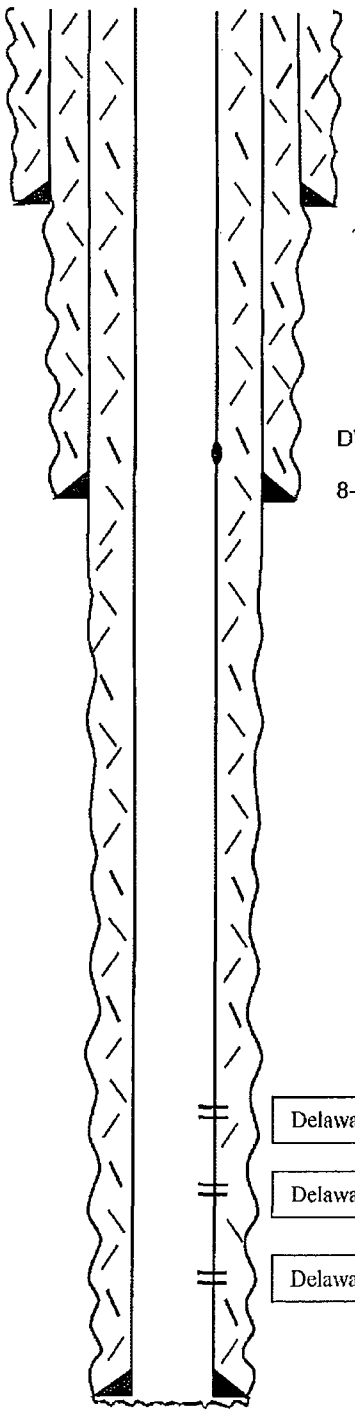
GL: 3537' **ZERO:** **KB:** 3,552'

SPUD DATE: 3/27/03 **COMPLETION DATE:** 4/14/03

COMMENTS: Api# 30-025-36135

CASING PROGRAM

13-3/8" 48# H40	853'
8-5/8" 32# J55 ST&C	4475'
Surface	
5-1/2" 17# J55 LT&C 126.07'	
5-1/2" 15.5 J55 LT&C 7,192.20'	
5-1/2" 17# J55 LT&C 1,279.24'	8,600'
Bottom	



Current

Fm tops:

Rustler	: 804'
TOS	: 956'
BOS	: 4,345'
Cherry Canyon	: 5,540'
Brushy Canyon	: 6,830'
Bone Spring	: 8,482'

Not to scale
12/15/11 MMFH

WELL NAME: Lotus SWD #4 **FIELD:** SE Livingston Ridge Delaware

LOCATION: 990'FNL & 330' FWL Sec 32-22S-32E Lea County

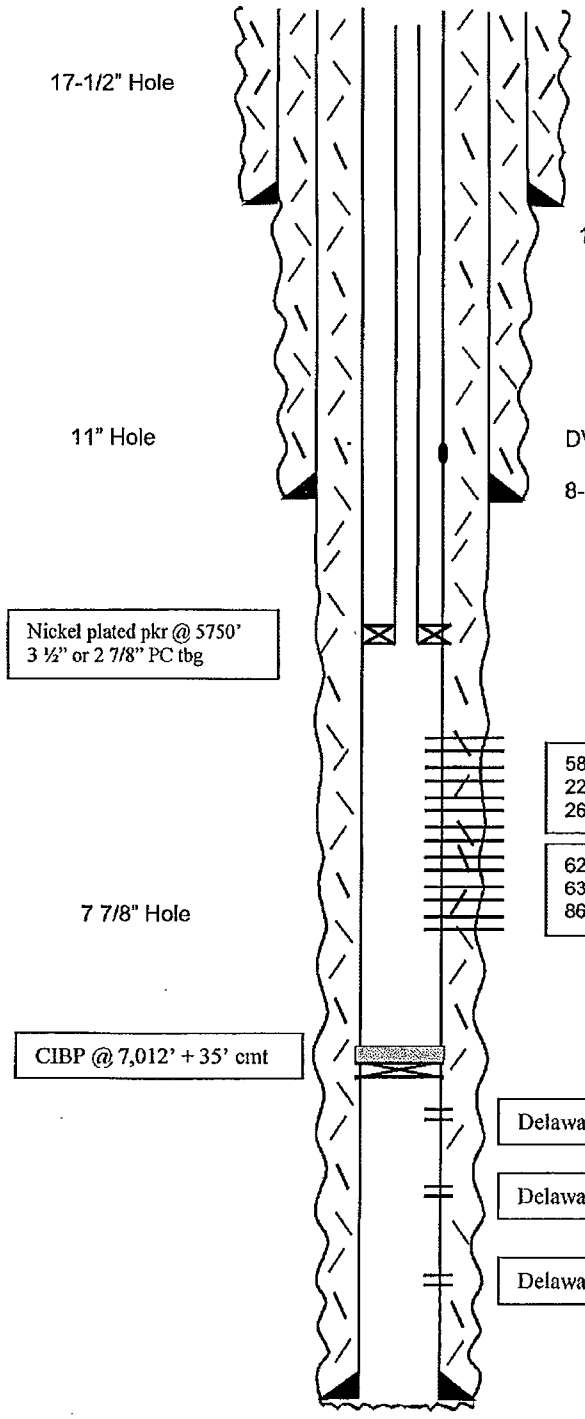
GL: 3537' **ZERO:** **KB:** 3,552'

SPUD DATE: 3/27/03 **COMPLETION DATE:** 4/14/03

COMMENTS: Api# 30-025-36135

CASING PROGRAM

13-3/8" 48# H40	853'
8-5/8" 32# J55 ST&C	4475'
Surface	
5-1/2" 17# J55 LT&C 126.07'	
5-1/2" 15.5 J55 LT&C 7,192.20'	
5-1/2" 17# J55 LT&C 1,279.24'	8,600'
Bottom	



After

Fm tops:

Rustler	: 804'
TOS	: 956'
BOS	: 4,345'
Cherry Canyon	: 5,540'
Brushy Canyon	: 6,830'
Bone Spring	: 8,482'

5850', 52', 54', 56', 58', 60', 62', 76', 78', 80', 86', 88, 90', 92', 94', 5914', 16', 18', 20', 22', 34', 36', 38', 66', 68', 70', 80', 82', 84', 86', 88', 6010', 12', 14', 16', 18', 20', 22', 24', 26', 62', 64', 66', 68', 70', 72, 94', 96', 98', 6100', 02', 14', 16', 32', 34', 36', 38', 40', 42'

6236', 38', 40', 42', 44', 60', 62', 64', 66', 68', 70', 72', 74', 76', 78', 80', 96', 98', 6300', 6302', 14', 16', 18', 20', 22', 30', 32', 34', 36', 38', 66', 68', 70', 72', 74', 76', 80', 82', 84', 86', 88', 6410', 12', 14', 16', 18', 20', 22', 24', 26', 28', 30', 32', 34', 36', 46', 48', 50'

Not to scale
12/15/11 MMFH