

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

Energy, Minerals and Natural Resources

Revised July 18, 2013

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

OCT 11 2013

RECEIVED

WELL API NO.

30-025-40514

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VO-8713

7. Lease Name or Unit Agreement Name

Guava BRU State

8. Well Number

1H

9. OGRID Number

025575

10. Pool name or Wildcat

Berry; Bone Springs, North

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	H	:	2210	feet from the	North	line and	28	feet from the	East	line
Unit Letter	H	:	2210	feet from the	North	line and	330	feet from the	East	line

Section	31	Township	20S	Range	35E	NMPM	Lea	County
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Section	32	Township	20S	Range	35E	NMPM	Lea	County
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11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3713 ' 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 ☐CLOSED-LOOP SYSTEM ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: Intermediate 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.

10/5/13 - TD 12-1/4" hole to 5,896'. Notified E.L. Gonzales with Hobbs NMOCD of pending operations via voice mail. Set 9-5/8" 36# and 40 # J-55 and HCK-55 LT&C casing at 5,896'. Cemented stage 1 w/ 500 sacks 35:65:6 Poz "C" + 2#/sx B288 + 2#/sx B289 + 5% D020 + 29#/sx D035 + 5% D044 + 0.2% D046 + 0.1% D065 + 0.125#/sx D130 + 0.1% D800 + 61#/sx #909 (yld 2.12, wt 12.6). Tailed in w/ 180 sacks 50/50 Poz "C" + 42#/sx D035 + 5% D044 + 0.2% D046 + 0.2% D208 + 47#/sx D903 (yld 1.34, wt 14.2). Circulated 190 sacks off of stage tool.

10/6/13 - Cemented stage 2 w/ 1280 sacks 35:65:6 Poz "C" + 0.2% D013 + 5% D020 + 29#/sx D035 + 5% D044 + 0.2% D046 + 0.1% D065 + 0.125#/sx D130 + 0.05% D208 + 61#/sx D903 (yld 2.04, wt 12.6). Tailed in w/ 100 sacks 50/50 Poz "C" + 42#/sx D035 + 5% D044 + 0.2% D046 + 0.02% D208 + 47#/sx D903 (yld 1.34, wt 14.2). Circulated 41 sacks to pit.. Tested casing to 1500 psi for 30 minutes with no pressure loss. WOC 34 hours 45 minutes. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

9/16/13

Rig Release Date:

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

SIGNATURE

Laura Watts

TITLE

Regulatory Reporting Technician

DATE

October 10, 2013

Type or print name

Laura Watts

E-mail address:

laura@yatespetroleum.com

PHONE:

575-748-4272

For State Use Only

APPROVED BY:

[Signature]

TITLE

Petroleum Engineer

DATE

OCT 17 2013

Conditions of Approval (if any):

OCT 17 2013