

Submit 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 OCD
JAN 07 2014
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State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised July 18, 2013

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. 30-025-40576
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. VO-3524/VO-8239
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name September Grass BSG State Com
4. Well Location SH Unit Letter <u>J</u> : <u>2480</u> feet from the <u>South</u> line and <u>1955</u> feet from the <u>East</u> line BH Unit Letter <u>G</u> : <u>2311</u> feet from the <u>North</u> line and <u>1966</u> feet from the <u>East</u> line SH Section <u>5</u> Township <u>21S</u> Range <u>34E</u> NMPM <u>Lea</u> County BH Section <u>8</u> Township <u>21S</u> Range <u>34E</u> NMPM <u>Lea</u> County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3714' GR		9. OGRID Number 025575
10. Pool name or Wildcat Berry; Bone Spring, North		

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Completion Operations <input checked="" type="checkbox"/>
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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.

8/19/13 - 12/20/13
 Tagged stage packer at 8,806'. Drilled cement from 8,806' to 8,809'. Fell thru and tagged stage packer at 8,822'. Drilled out and circulated clean and pressure test casing to 3000 psi for 30 mins, held good. Tagged DV tool at 10,999' and drilled out. Circulated hole clean. Tagged cement at 16,085'. Drilled down to 16,150' and circulated hole clean. Pressure test casing to 3500 psi for 30 mins, held good. Pickled casing w/ 500 gals Xylene and 1200 gals 15% NEFE HCL acid. Displaced hole w/ 360 bbls of 3% KCL w/ CRW-132 chemical. TIH with 4-3/4" bit and scraper. Reamed thru stage packer at 8,822' and DV tool at 10,999'. RIH to 11,930'. Pressured up to 1500 psi on casing and run CBL to 1950'. TOC at 4,600'. Perforated Bone Spring 14,501' to 16,150' (180 holes). Acidized with 28,000 gals of 15% HCL acid, frac with a total of 1,515,036 lbs El Prop, Econoprop, 30/50 Econoprop sand. Found holes in casing at 11,533' and 11,569'.

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.

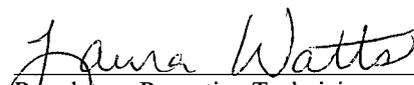
SIGNATURE Laura Watts TITLE Regulatory Reporting Technician DATE January 6, 2014
 Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4168

For State Use Only
 APPROVED BY: [Signature] TITLE Petroleum Engineer DATE JAN 28 2014
 Conditions of Approval (if any):

JAN 28 2014

Form C-103 continued:

TIH with 5-1/2" retainer to 11,467'. Circulated 240 bbls of fresh water. Set retainer. Pressured up to 1000 psi on casing. Pumped 10 bbls fresh water thru retainer into squeeze holes at 1 BPM @ 4700 psi. Tested tubing to 4000 psi, held good. Sting out of retainer. Pressure tested casing to 3000 psi for 15 mins. Lost 1100 psi. Sting into retainer. TIH with 4-11/16" overshot with 3-3/8" grapple. Tagged up on retainer at 11,920'. Pushed down to 14,341'. TIH with bit and scraper down to 11,991'. TIH with 5-1/2" AS-V compression packer to 11,586'. Set packer and pressure test to 3000 psi from 11,586' to composite bridge plug at 14,407'. Released packer. PUH to 11,546'. Pressure test casing from 11,546' to surface. Held 3000 psi for 20 mins. Establish injection rate into squeeze holes 1 BBL min. Pumped a total of 20 BBLs into formation. TIH with 5-1/2" cement retainer to 11,139'. Pumped 65 bbls fresh water thru retainer. Set retainer. Spotted 100 sacks Class "H" cement with 0.03% Fluid Loss. Sting into retainer. Squeezed with 50 sacks (10.5 bbls slurry) in formation. Sting out and reversed out 2 bbls of cement. Tagged at 11,132'. Drilled 5' of cement on top of retainer, drilled out retainer. Continued drilling cement down to 11,213'. Circulated hole clean. Tagged cement at 11,213'. Drilled out cement down to 11,555'. Circulated hole clean. Pressure test casing to 3000 psi for 20 mins, held good. TIH with 5-1/2" scraper and 4-3/4" string mill. Reamed thru from 11,100' to 11,609'. Circulated hole clean. Pressure tested casing to 3000 psi for 20 mins, held good. TIH with steel patch to 11,608'. RIH thru tubing to 11,570' with Gamma Ray and CCL. Spotted the top of the patch at 11,560' and the bottom of the patch at 11,579'. Found patch at 11,561' to 11,580'. Ran log across patch with no restrictions. Put together 2nd 5-1/2" Saltel Ultra slim casing patch and started in hole filling tubing every 4 stands. Finished TIH with casing patch to 11,474'. Top of patch at 11,523' and bottom of patch at 11,542'. Pressured test tubing to 2600 psi for 5 mins. Got patch set and drifted both patches with a 4.54" OD. Pressure test casing to 4000 psi lost 200 psi to 3800 psi in 30 mins, good. Bled well down. POOH with logging tools. Perforated Bone Spring 12,001' to 14,300' (180 holes). Acidized with 16,042 gals of 15% HCL acid, frac with a total of 2,029,907 30/50 Econoprop sand. 2-7/8" 6.50# and 7.90# L-80 and P-110 at 10,950'.


Regulatory Reporting Technician
January 6, 2014