

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88220
 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
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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. 30-025-41058
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-6582/VO-5532
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Atoka Bank BDJ State Com
4. Well Location Unit Letter <u>A</u> : <u>200</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Unit Letter <u>P</u> : <u>330</u> feet from the <u>South</u> line and <u>667</u> feet from the <u>East</u> line Section <u>17</u> Township <u>24S</u> Range <u>33E</u> NMPM Lea County		8. Well Number 3H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,602' GR		9. OGRID Number 025575
10. Pool name or Wildcat Triple X; Bone Spring, West		

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.

2/3/14 - NU BOP. Tagged at 7,973'.
 2/4/14 - Drilled DV tool at 7,978', tested DV tool to 3000 psi. Tagged at 15,520'.
 2/5/14 - Drilled remainder of DV tool. Circulated hole clean down to Float Collar at 15,649'. Circulated 500 gals Xylene, 1200 gals 7-1/2% HCL followed by 3% KCL with CRW-132 Baker Petrolite chemical.
 2/9/14 - Pressured up on 5-1/2" 17# casing from surface to PBTD at 15,649'. Pressured up to 3850 psi. Oil states cups on isolation tool were not holding. Change out cups, pressured up again to 3560 psi. Pressured up to 3500 psi, no flow out of bradenhead. Bleed pressure down. Work scraper across DV tool at 7,938'. Ran a VDL-GR-CCL log from 11,400' to 5,200'.
 2/10/14 - Set CIBP at 15,645'. Tested 5-1/2" casing from surface to 15,645' to 4900 psi, held good.
 2/11/14-3/13/14 - Tested casing from surface to 15,645' to 7000 psi, held good. Perforated Bone Spring 11,455' - 15,635' (468 holes). Acidized with 65,000 gals 15% HCL acid, and frac with a total of 4,259,606# 30/50 Econoprop and 20/40 Super DC sand.

Spud Date: 12/3/13 Rig Release Date: 1/16/14

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 March 27, 2014
 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 8/16/14
 Conditions of Approval (if any):

APR 21 2014