

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

State of New Mexico  
Energy, Minerals and Natural Resources

HOBBS OGD

OIL CONSERVATION DIVISION

JUN 03 2014

100 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103

Revised July 18, 2013

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-025-40515
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. VB-1185
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Taipan BST State
4. Well Location Unit Letter C : 175 feet from the North line and 2200 feet from the West line Unit Letter N : 230 feet from the South line and 2184 feet from the West line Section 31 Township 24S Range 33E NMPM Lea County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,534' GR		9. OGRID Number 025575
		10. Pool name or Wildcat Wildcat; Bone Spring

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: Completion operations ☒

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.

4/20/14 - Tagged DV tool at 6,542' and drilled out. Circulated hole clean.

4/21-23/14 - Ran CBL from 10,435'-5,850'. Estimated TOC at 7,650'. Pressure test casing from 6,553'-10,464' to 2500 psi for 30 mins, held good. Pressure test casing from 6,514'-surface to 2500 psi for 30 mins, held good. Pumped 550 bbls fresh water at 3 BPM at 500 psi, could not break circulation. Set CICR at 6,477'. Establish injection rate with fresh water at 3 BPM at 500 psi. Pumped 1000 sacks Class "C" at 3 BPM at 90 psi. Well squeezed off at 500 psi. Sting out and reverse out 60 bbls. Returned 1.5 bbls of cement.

4/27/14 - Drilled out retainer in 3 hours, drilled out partial cement to 6,542'. Pushed retainer remnants down to 6,658' and circulated hole clean. PUH to 6,490'. Pressure test casing to 2000 psi, lost 500 psi in 10 mins. Establish injection rate with reverse unit 1/2 BPM at 2300 psi. Pumped a total of 10 bbls into formation.

CONTINUED ON NEXT PAGE:

Spud Date:

6/28/12

Rig Release Date:

3/14/14

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 June 2, 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 June 2, 2014

Conditions of Approval (if any):

JUL 15 2014

**Form C-103 continued:**

4/28/14 – Run CBL from 7,800'-600'. Establish injection rate through squeeze hole 1/2 BPM at 2700 psi. Pumped a total of 10 bbls into formation. Bled down well. Circulated 37 bbls of fresh water through retainer. Set retainer at 6,446'. Pump into formation 1/2 BPM 3000 psi. Sting out and spot 32 bbls cement to retainer. Sting into retainer squeeze well with 185 sacks Class "C" Neat. Squeeze pressure was 3000 psi. Sting out reverse out 12 sacks cement.

4/30/14 – Drill out cement /CICR at 6,446' in 3 hours. Drilled hard cement below CICR 6,550'. Washed to 6,594'. Circulated clean. Tested casing to 3000 psi, held for 10 mins ok.

5/1/14 – Drilled out DV tool and circulated clean. Tested casing to 3000 psi for 30 mins, good.

5/2-3/14 – Drilled out junk and cement to 15,696'. Circulated clean.

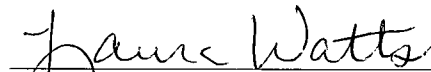
5/4/14 – Tested casing to 3000 psi, held good. Displaced casing with 340 bbls 3% KCL.

5/6/14 – TIH with Saltel 4.11" X 20' Ultra slim hole expandable steel patch, spot patch across DV Tool at 6,532'. Pressured up and set patch. Drift with 4.52" gauge ring. Hung up at 6,532' and 6,534', redo steps across DV tool. Drift again with 4.52" gauge ring. Drifted good. Slight bump at 6,532'. Top of patch is at 6,523', bottom of patch is at 6,542'.

5/7/14 – TIH with swedge, drill collar, bumper sub, jars, collars. Did not see swedge go through patch. Tagged up in DV tool at 6,532'. Work through and fell out at 6,534'. Continued working through patch until it ran freely.

5/8/14 – Pressured test casing to 5000 psi for 30 mins. Lost 200 psi

5/13-15/14 – Perforated Bone Spring 11,459' – 15,677' (468 holes). Acidized with 64,992 gallons 15% NEFE HCL acid, frac with a total of 4,153,143# Econoprop 30/50 and Super Double Coated Resin 20/40 sand.

  
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Regulatory Reporting Technician  
June 2, 2014