

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**  
**AUG 15 2016 RECEIVED**  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 Revised July 18, 2013

WELL API NO. 30-025-40472	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. VB-1646	
7. Lease Name or Unit Agreement Name Avocado BRO State	
8. Well Number 1H	
9. OGRID Number 025575	
10. Pool name or Wildcat Berry; Bone Spring, North	
<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.) 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> 2. Name of Operator Yates Petroleum Corporation 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 4. Well Location Unit Letter <u>D</u> : <u>150</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Unit Letter <u>D</u> : <u>458</u> feet from the <u>North</u> line and <u>665</u> feet from the <u>West</u> line Section <u>32</u> Township <u>20S</u> Range <u>35E</u> NMPM <u>Lea</u> County Section <u>29</u> Township <u>20S</u> Range <u>35E</u> NMPM <u>Lea</u> County 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,696' GR	

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

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

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.

7/12/16 - NU BOP.

7/13/16 - Set RBP at 9,988' and packer at 9,973'. Loaded tubing with 30 bbls. Tested to 1500 psi, good. Pumped 98 bbls down 5-1/2" casing. Pressured up to 1200 psi. Went on a vacuum. 9-5/8" casing had 300 psi. Pumped 50 bbls down 5-1/2" casing at 6 BPM. Never caught pressure. Released packer.

7/14-16/16 - Found bad casing from 5,344'-5,543'. Set packer at 5,300'. Pumped down 2-7/8" tubing out 9-5/8" casing. Pumped 70 bbls. Broke circulation. Pumped a total of 250 bbls of 2% KCL. Released packer.

CONTINUED ON NEXT PAGE:

Spud Date: 8/10/13 Rig Release Date: 9/22/13

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

SIGNATURE Laura Watts TITLE Advanced Regulatory Reporting Analyst DATE August 12, 2016

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 08/19/16  
 Conditions of Approval (if any):

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**Form C-103 continued:**

7/17/16 – Pulled out of hole with packer. Dump bail 2 sacks of sand on top of RBP at 9,988'. Ran Gamma Ray CCL log from 9,000' to 3,700'.

7/19/16 – Perforated at 8,600' (4 shots). Composite retainer set at 8,540'. Pull out of hole. Pumped 90 bbls down 2-7/8" tubing. Broke circulation up the 9-5/8" casing. Pumped a total of 550 bbls fresh water at 3 BPM at 1000 psi. 5-1/2" casing was at 150 psi.

7/20/16 – Loaded 5-1/2" casing with 13 bbls. Pumped down 2-7/8" tubing. Took 30 bbls to break circulation up the 9-5/8" casing. Pumped 350 sacks of EconoCem-HLC cement, tailed in with 130 sacks of HalCem H cement. Displaced with 79 bbls. Sting out of retainer with 250 psi. Pulled up to 5,429'. Pumped down 5-1/2" casing. Took 15 bbls to break circulation with 9-5/8" casing. Pumped 300 bbls at 2.7 BPM at 2900 psi. Pull out of hole with stinger.

7/21-23/16 – Ran Gamma Ray CCL log from 8,460' to 5,300'.

7/24/16 – Perforated at 6,850' (4 shots). Pull out of hole. Set cement retainer at 6,788'. Pull out of hole. Sting into retainer. Loaded 5-1/2" casing with 9-1/2 bbls. Pumped down 2-7/8" tubing. Took 34 bbls to break circulation with 9-5/8" casing. Pumped 130 bbls at 2-1/2 BPM at 370 psi.

7/25/16 – Pumped 20 bbls down 2-7/8" tubing. Break circulation with 9-5/8" casing. Pumped 380 sacks of EconoCem cement. Tailed in with 100 sacks of HalCem cement. Displaced with 39 bbls. Sting out of retainer with 1000 psi. Perforated at 5,700' (4 shots). Pumped 30 bbls down 5-1/2" casing. Break circulation with 9-5/8" casing. Pumped 300 bbls. Circulated out approximately 141 sacks of cement. Set cement retainer at 5,330'. Sting into retainer. Pressured up 5-1/2" casing to 1000 psi to monitor. Pumped down 2-7/8" tubing up 9-5/8" casing. Pumped 750 sacks of EconoCem cement and tailed in with 100 sacks HalCem cement. Circulated approximately 21 sacks of cement into open top tank. Sting out of retainer with 1200 psi.

7/27/16 – No pressure or vacuum on the 9-5/8" casing. Tagged cement at 5,313'. Drilled out cement to retainer at 5,330'. Drilled retainer and cement to 5,394'.

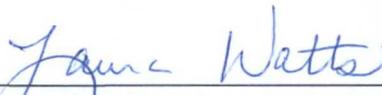
7/28-30/16 – Drilled out cement to 5,427'. Circulated bottoms up. WOC.

7/31/16 – Drilled out cement at 5,704'. Fell out of cement. Circulated clean. Tested casing to 500 psi, good. Tagged solid at 831' above cement retainer. Fell out of cement at 6,089'. Circulated clean.

8/1/16 – RIH and tagged cement retainer at 6,788'. Drilled out top half of retainer. Fell to 6,798'. Drilled out bottom half of retainer. Fell out of cement at 6,893'. Circulated clean. Tested casing to 500 psi, good. RIH and tagged at 8,499'. Drilled out cement retainer at 8,529'. Circulated clean.

8/2/16 – Drilled out cement. Fell out at 8,602'. Circulated clean. Tested casing to 500 psi, good. RIH and tagged sand at 9,968'. Circulated sand from RBP.

8/3/16 – RIH to RBP at 9,973'. Released and POOH with RBP. ND BOP.

  
Advanced Regulatory Reporting Analyst  
August 12, 2016