

State of New Mexico
Energy, Minerals and Natural ResourcesOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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. 30-025-38887 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input checked="" 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-1611
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Oakridge State Unit ✓
4. Well Location Unit Letter <u>J</u> : <u>1700</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>31</u> Township <u>11S</u> Range <u>34E</u> NMPM Lea County ✓		8. Well Number 3 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4215' GR		9. OGRID Number 025575 ✓
		10. Pool name or Wildcat Wildcat; Chester ✓

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 COMPLETIONS ☐
 DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☒

OTHER: ☒ Spud

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10/19/08 Spudded well @ 11:00 a.m. Set 40' of 20" conductor. Cemented w/Redi-Mix.

10/27/08 Resumed drilling @ 11:30 a.m. Drilled 14-3/4" hole to 381'. Set 11-3/4" 42# H-40 ST&C casing @ 381'. Cemented w/300 sx Premium Plus + 2% CaCl (yld 1.35, wt 14.8). Cement circulated. WOC. Reduced hole to 11" and resumed drilling.

11/04/08 Drilled 11" hole to 4144'. Set 8-5/8" 24# & 32# J-55 casing @ 4144'. Cemented w/1020 sx Halliburton Lite Premium Plus "C" + 0.125#/sx Cellophane flakes + 1#/sx Gilsontite (yld 1.87, wt 12.7). Tailed in w/200 sx Class "C" + 1% CaCl (yld 1.34, wt 14.8). Cement circulated. WOC. Reduced hole to 7-7/8" and resumed drilling.

Spud Date:

10/19/08

Rig Release Date:

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

SIGNATURE

Allison Barton

TITLE

Regulatory Compliance Technician

DATE

11/07/08

Type or print name

Allison Barton

E-mail address:

abarton@ypcnm.com

PHONE:

(575) 748-4385

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

NOV 12 2008

Conditions of Approval (if any):