

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED OIL CONSERVATION DIVISION

NOV 13 2009 1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBS

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. 30-025-31243
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input 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. V-6303
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Reba BNU State
4. Well Location Unit Letter <u>K</u> : <u>2300</u> feet from the <u>South</u> line and <u>1650</u> feet from the <u>West</u> line Section <u>32</u> Township <u>11S</u> Range <u>35E</u> NMPM <u>Lea</u> County <u>✓</u>		8. Well Number 5
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4160' GR		9. OGRID Number 025575
		10. Pool name or Wildcat Llano; Upper Penn (Oil) <input checked="" type="checkbox"/>

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

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

10/16/09 Began reentry operation to sidetrack well.

10/17/09 Nipped up BOP. Tested manifold, HCR & blind rams. Notified Robert Harrison w/NMOCD of BOP testing – did not witness.

10/18/09 thru 10/19/09 Drilled cement & circulated clean to kick off point @ 4870'. Notified Robert Harrison w/NMOCD of resumed drilling operations @ 7:00 p.m. 10/18/09.

10/20/09 thru 11/08/09 Continue sidetracking operations.

11/09/09 TD 10,530'. Set 5-1/2" 17# L-80, J-55 & HCP-110 LT&C casing @ 10,530'. Float collar @ 10,485'. Cemented w/900 sx 35:65:6 Poz "H" + 0.6% D112 + 6% D20 + 0.3% D800 + 0.2% D46 (yld 1.96, wt 12.6). Tailed in w/200 sx Pecos Valley Lite + 0.2% D46 + 1.3% D44 + 0.3% D13 + 0.3% D800 + 0.2% D65 + 0.3% D167 (yld 1.41, wt 13).

Spud Date: Reentry 10/16/09

Rig Release Date: 11/09/09

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 11/10/09

Type or print name Allison Barton E-mail address: abarton@yatespetroleum.com PHONE: (575) 748-4385

For State Use Only

APPROVED BY: [Signature] TITLE DISTRICT 1 SUPERVISOR DATE NOV 18 2009

Conditions of Approval (if any):