

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-103  
June 19, 2008

<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. 30-025-39660
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-0777 & VB-0787
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Presidente BPD State Com
4. Well Location Surface D : 330 feet from the North line and 660 feet from the West line BHL M : 330 feet from the South Line and 660 feet from the West line Section 32 Township 25S Range 32E NMPM Lea County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3335'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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: Set conductor, surface and intermediate casing ☒

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.

11/1/10 – Set 40' of 20" conductor and cemented to surface with redi-mix.

11/5/10 – Resumed drilling at 4:00 AM.

11/8/10 – TD 17-1/2" hole to 1140'. Set 13-3/8" 48# J-55 ST&C casing at 1140'. Cemented with 600 sx Premium Plus "C" + 4% Bentonite + 0.125#/sx Poly-E-Flake + 2% CaCl<sub>2</sub> (yld 1.75, wt 13.5). Tailed in with 350 sx Premium Plus "C" + 2% CaCl<sub>2</sub> (yld 1.35, wt 14.8). Circulated 175 sx to pit. Notified Elidio Gonzales with NMOCD of intent to cement and did not witness. Tested casing to 600 psi for 30 min. WOC 45 hrs 15 min. Reduced hole to 12-1/4" and resumed drilling.

11/15/10 – TD 12-1/4" hole to 4450'.

11/16/10 – Set 9-5/8" 36#, 40# J-55 HCK-55 LT&C casing at 4450'. Cemented with 1225 sx Premium Plus Light + 5#/sx + 0.125#/sx Poly-E-Flake (yld 1.85, wt 12.9). Tailed in with 200 sx Premium Plus (yld 1.33, wt 14.8). Circulated 150 sx to pit. Notified Elidio Gonzales-NMOCD of intent to cement and did not witness. Tested casing to 1500 psi for 30 min. WOC. Reduced hole to 8-3/4" and resumed drilling.

Spud Date: 9/30/10

Rig Release Date:

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

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE November 18, 2010

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE NOV 22 2010

Conditions of Approval (if any):