

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED

JAN 19 2011

HOBBSUCD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-39753

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

V-6180

7. Lease Name or Unit Agreement Name

Milsap BGV State

8. Well Number

3

9. OGRID Number

025575

10. Pool name or Wildcat

Hightower; Devonian

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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter K : 1878 feet from the South line and 1874 feet from the West lineSection 25 Township 12S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4233'GR

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 and surface 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1/6/11 - Set 40' of 20" conductor and cemented with redi-mix to surface.

1/13/11 - TD 14-3/4" hole to 432' at 6:15 PM. Set 11-3/4" 42# H-40 ST&C casing at 430'. Cemented with 275 sx Premium Plus + 2% CaCl (yld 1.35, wt 14.8). Cement did not circulate. WOC. Ran temperature survey and found TOC at 120'. Ran 1" cement to surface with 110 sx Class "C" Neat + 3% CaCl (yld 1.33, wt 14.8). Tested casing to 1500 psi, Ok. WOC 25 hrs 45 min. Reduced hole to 11" and resumed drilling.

Spud Date:

12/27/10

Rig Release Date:

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

SIGNATURE

TITLE

Regulatory Compliance Supervisor

DATE

January 17, 2011

Type or print name

Tina Huerta

E-mail address:

tinah@yatespetroleum.com

PHONE:

575-748-4168

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

JAN 20 2011

Conditions of Approval (if any):