

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

RECEIVED
JAN 26 2011
HOBBSDUCD

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-39753
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
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 line
Section 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: 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1/20/11 - TD 11" hole to 4201'. Set 8-5/8" 32# J-55 HCK-55 ST&C casing at 4196'. Cemented with 920 sx Econocem "H" + 5# LBM gilsonite + 0.125# LBM Poly-E-Flake + 5% salt (yld 1.85, wt 12.9). Tailed in with 320 sx Halcem (yld 1.33, wt 14.8). Circulated 149 sx to pit. Tested casing to 1200 psi, Ok. WOC 24 hrs 10 min. Reduced hole to 7-7/8" 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 Tina Huerta TITLE Regulatory Compliance Supervisor DATE January 25, 2011

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 JAN 27 2011
Conditions of Approval (if any):