

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

RECEIVED

OIL CONSERVATION DIVISION

JAN 13 2011  
220 South St. Francis Dr.  
Santa Fe, NM 87505

HOBBSOCD

WELL API NO. 30-025-37086
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-5459
7. Lease Name or Unit Agreement Name Indigo BHC State Com
8. Well Number 4
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat; Abo

<p>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.)</p>	
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>	
<p>2. Name of Operator Yates Petroleum Corporation</p>	
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>	
<p>4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>5</u> Township <u>12S</u> Range <u>35E</u> NMPM <u>Lea</u> County</p>	
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4162'GR</p>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p>		<p>SUBSEQUENT REPORT OF:</p>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
<p>OTHER: <input type="checkbox"/></p>		<p>OTHER: Plugback and recomplet <input checked="" type="checkbox"/></p>	

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.

11/28/10 – MIRU pulling unit. NU BOP. Released packer and on/off tool.  
11/29/10 – POOH with tubing.  
11/30/10 – Tagged up at 11,935'. Pumped 300 bbls down casing. Well would not circulate. Drilled down to 11,960'. Pulled up to get away from plug. Ran back in hole. Tagged up at 11,950'. Lost 10' of hole. Tried to drill down again, kept losing hole. Tubing kept getting hung up. Pulled tubing above perfs. Tagged up at 11,944'. Lost another 6', attempted to drill down again. Pulled tubing above perfs.  
12/1/10 – POOH with tubing. Last 2 drill collars plugged with frac sand. Could not get unplugged. Got approval from NMOCD-Hobbs to set CIBP over composite plug.  
12/2/10 – RIH with GR/JB. Tagged up at 11,938'. Set a 5-1/2" 10K Alpha CIBP at 11,935'. Set a 2<sup>nd</sup> CIBP at 11,880' with 54' cement on top. Tested casing to 1000 psi, held good for 15 min.  
12/5/10 – Tagged TOC on CIBP at 11,822', has 58' cement on top. Perforated Abo 9168'-9176' (16). ND BOP.  
12/6/10 – Acidized Abo with 3000g 20% NEFE HCL.  
12/9/10 – Re-acidized Abo with 6000g 20% NEFE gelled acid. 2-7/8" 6.4# L-80 tubing at 9137'.

Spud Date:

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 11, 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 FEB 08 2011  
Conditions of Approval (if any):