

Office

Energy, Minerals and Natural Resources

June 16, 2008

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

FEB 21 2011

HOBBSUCD

OIL AND CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-40058

5. Indicate Type of Lease

STATE ☒FEE ☐

6. State Oil & Gas Lease No.

VB-0870

7. Lease Name or Unit Agreement Name

Orion BQO State

8. Well Number

1

9. OGRID Number

25575

10. Pool name or Wildcat

Wildcat Delaware

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 S. 4th Street, Artesia, New Mexico 88210

4. Well Location

Unit Letter O 660 feet from the South line and 1980 feet from the East line Surface HoleSection 36 Township 17S Range 35E NMPM County Lea

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

3892' 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 ☐OTHER: ☐

SUBSEQUENT REPORT OF:

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

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.

Yates Petroleum Corporation wishes to change the Cement Program (plan attached).

Thank you,

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

SIGNATURE Monti Sanders TITLE Land Regulatory Technician DATE February 18, 2011Type or print name Monti Sanders E-mail address montis@yatespetroleum.com PHONE: (575) 748-4244

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE FEB 22 2011

Conditions of Approval (if any):

Cont

CEMENT PROGRAM	
CEMENT:	
SURFACE: Cement w/300sx Class C (YLD 1.34 WT 14.8) TOC= Surface	
INTERMEDIATE: lead w/805sx C lite(YLD 1.96WT 12.6) tail w/200sx Class C(YLD 1.34 WT 14.8)TOC=Surface	
PRODUCTION: Production cement to be done in two stages with stage tools at approx. 5000.	
Stage I from 8000'-5000': cement w/520sx Pecos Valley Lite (YLD 1.41 WT 13) TOC=5000'	
Stage II from 5000'-3000': lead w/150sx Lite Crete (YLD 2.66 Wt. 9.9),	
tail w/100sx Pecos Valley Lite (YLD 1.41 WT 13) TOC=15 3000'	