

District II  
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  
MAR 03 2011  
HOBBS

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
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4233'GR

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>K</u> : <u>1878</u> feet from the <u>South</u> line and <u>1874</u> feet from the <u>West</u> line Section <u>25</u> Township <u>12S</u> Range <u>33E</u> NMPM <u>Lea</u> 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:		SUBSEQUENT REPORT OF:	
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"/>			
OTHER: <input type="checkbox"/>		OTHER: Production casing <input checked="" type="checkbox"/>	

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.

2/22/11 - Reached TD 7-7/8" hole to 12,665'.

2/25/11 - Set 5-1/2" 17# L-80 J-55 HCP-110 LT&C casing at 12,665'. DV tool at 10,917'. Cemented stage 1 with 400 sx Versacem "H" + 0.5% CFR-3 + 1#/bbl gilsonite + 0.5% Halad4-344 + 0.5% HR-601 + 0.125#/bbl Poly-E-Flake (yld 1.60, wt 13.2). Opened DV tool. Did not circulate any cement off top of DV tool. Cemented stage 2 with 785 sx Econocem "H" + 0.4% HR-601 (yld 2.45, wt 11.9). Tailed in with 510 sx Versacem "H" + 0.5% CFR-3 + 1#/bbl gilsonite + 0.5% Halad4-344 + 0.3% HR-601 + 0.125#/bbl Poly-E-Flake (yld 1.59, wt 13.2). No cement to surface.

Spud Date: 12/27/10 Rig Release Date: 2/26/11

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 March 2, 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 MAR 04 2011

Conditions of Approval (if any):