

Submit 3 Copies To Appropriate District Office  
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

**HOBBS OCD** State of New Mexico  
Energy, Minerals and Natural Resources

**MAY 13 2011**  
**RECEIVED**

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

Form C-103  
May 27, 2004

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-025-39947
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VB-844
3. Address of Operator 105 S. 4 <sup>th</sup> Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Quijote BQJ State Com.
4. Well Location Unit Letter <u>O</u> : <u>480</u> feet from the <u>South</u> line and <u>1650</u> feet from the <u>East</u> line Section <u>2</u> Township <u>26S</u> Range <u>32E</u> NMPM Lea County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3262'		9. OGRID Number 025575
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Bone Springs
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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. ☐ PLUG AND ABANDON ☐  
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.

Bottom hole location for this well is Section 2, T26S-R32E, Unit B. 330' FNL and 1650' FEL.

Yates Petroleum Corporation respectfully requests permission change the TVD of the lateral on this well. The lateral will be drilled to a TVD of 9,250' in the Avalon Shale (same target formation as previously permitted). Attached is the revised horizontal plan.

Production casing will be 5 1/2" 20# L-80 from 0'-13,515'.

Thank-you,

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Jeremiah Mullen TITLE Well Planner DATE 5/11/11

Type or print name Jeremiah Mullen E-mail address: jmulen@yatespetroleum.com Telephone No. 575-748-4378

**For State Use Only**

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 16 2011

Conditions of Approval (if any):

### Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 9,600' MD (9,250' TVD). A 6 1/8" hole will then be drilled to 13,515' MD (9,250' TVD) where 4 1/2" casing will be set and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 8700'.

#### 2nd Intermediate

0 ft to 600 ft		Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt. min. mx.	600
7 inches	26 #/ft	L-80	LT&C	5110 3830 6390	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift
5,410 psi	7,240 psi	511,000 #		604,000 #	6.151

600 ft to 7,700 ft		Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt. min. mx.	7,100
7 inches	26 #/ft	J-55	LT&C	3670 2750 4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift
4,320 psi	4,980 psi	367,000 #		415,000 #	6.151

7,700 ft to 9,600 ft		Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt. min. mx.	1,900
7 inches	26 #/ft	L-80	LT&C	5110 3830 6390	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift
5,410 psi	7,240 psi	511,000 #		604,000 #	6.151

DV tools placed at 8700' & 7000'.

Stage I: Cemented w/200sx PVL (YLD 1.41 Wt 13) TOC= 8700'

Stage II: Cemented w/375sx PVL (YLD 1.41 Wt 13) TOC= 7000'

Stage III: Cemented w/260sx Lite Crete (YLD 2.66 Wt 9.9), tail w/100sx PVL (YLD 1.41 Wt 13) TOC= 4250'

#### Production

0 ft to 13,515 ft		Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt. min. mx.	13,515
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020 2270 3780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield	Drift
8,650 psi	10,690 psi	279,000 #		367,000 #	3.875

DV tool placed at approx. 8700' and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 8700'.

Cemented w/500sx PVL (YLD 1.83 Wt 13) TOC= 8700'

Co: 0	Units: Feet, °, 7100ft	VS Az: 0.00	Tgt TVD: 9250.00
Drillers: 0	Elevation:	Tgt Radius: 0.00	Tgt MD: 0.00
Well Name: Quijote BQJ State Com #1H	Northing:	Tgt N/S: 4470.00	Tgt Displ.: 0.00
Location: Sect. 2, 26S-32E	Easting:	Tgt E/W: 0.00	Method: Minimum Curvature

No.	MD	CL	Inc	Azi	TVD	VS	+N/S	+E/W	BR	WR	DLS	Comments
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
1	720.00	720.00	0.00	0.00	720.00	0.00	0.00	0.00	0.00	0.00	0.00	Rustler
2	2900.00	2180.00	0.00	0.00	2900.00	0.00	0.00	0.00	0.00	0.00	0.00	Castille
3	4220.00	1320.00	0.00	0.00	4220.00	0.00	0.00	0.00	0.00	0.00	0.00	Base of Salt
4	4650.00	430.00	0.00	0.00	4650.00	0.00	0.00	0.00	0.00	0.00	0.00	Bell Canyon
5	5300.00	650.00	0.00	0.00	5300.00	0.00	0.00	0.00	0.00	0.00	0.00	Cherry Canyon
6	7480.00	2180.00	0.00	0.00	7480.00	0.01	0.01	0.00	0.00	0.00	0.00	Brushy Canyon
7	8772.54	8772.54	0.00	0.00	8772.54	0.01	0.01	0.00	0.00	0.00	0.00	KOP
8	8800.00	27.46	3.30	0.00	8799.98	0.80	0.80	0.00	12.00	0.00	12.00	
9	8900.00	100.00	15.30	0.00	8898.49	16.92	16.92	0.00	12.00	0.00	12.00	
10	8981.63	81.63	25.09	0.00	8975.01	45.06	45.06	0.00	12.00	0.00	12.00	Bone Springs
11	9000.00	100.00	27.30	0.00	8991.49	53.17	53.17	0.00	12.00	0.00	12.00	
12	9032.68	32.68	31.22	0.00	9020.00	69.14	69.14	0.00	12.00	0.00	12.00	Avalon Shale
13	9100.00	100.00	39.30	0.00	9074.93	107.97	107.97	0.00	12.00	0.00	12.00	
14	9200.00	100.00	51.30	0.00	9145.14	178.91	178.91	0.00	12.00	0.00	12.00	
15	9300.00	100.00	63.30	0.00	9199.07	262.91	262.91	0.00	12.00	0.00	12.00	
16	9400.00	100.00	75.30	0.00	9234.36	356.28	356.28	0.00	12.00	0.00	12.00	
17	9500.00	100.00	87.30	0.00	9249.47	454.95	454.95	0.00	12.00	0.00	12.00	
18	9522.53	750.00	90.00	0.00	9250.00	477.47	477.47	0.00	12.00	0.00	12.00	Avalon Shale Target
19	13515.07	3992.54	90.00	0.00	9250.01	4470.01	4470.01	0.00	0.00	0.00	0.00	Lateral TD

