

May 27, 2004

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 OGD

MAY 11 2011

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-40001

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil &amp; Gas Lease No.

VB-853

7. Lease Name or Unit Agreement Name

Zapata BQZ State Com. /

8. Well Number

1H /

9. OGRID Number

025575 /

10. Pool name or Wildcat

Bone Springs

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. 4<sup>th</sup> Street, Artesia, NM 88210

4. Well Location

Unit Letter N : 330 feet from the South line and 2180 feet from the West lineSection 2 Township 26S Range 32E NMPM Lea County

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

3256'

Pit or Below-grade Tank Application ☐ or Closure ☐

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 C. 330' FNL and 1980' FWL.

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'-13,738'.

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 5/10/11Type 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):

|   |  |  |  |                              |  |  |  |                         |  |                                  |  |
|---|--|--|--|------------------------------|--|--|--|-------------------------|--|----------------------------------|--|
| <b>Co: Yates Petroleum Corporation</b>      |  |  |  | <b>Units: Feet, ° 7100ft</b> |  |  |  | <b>VS Az: 357.02</b>    |  | <b>Tgt TVD: 9250.00</b>          |  |
| <b>Drillers: 0</b>                          |  |  |  | <b>Elevation:</b>            |  |  |  | <b>Tgt Radius: 0.00</b> |  | <b>Tgt MD: 0.00</b>              |  |
| <b>Well Name: Zapata BQZ State Com. #1H</b> |  |  |  | <b>Northing:</b>             |  |  |  | <b>Tgt N/S: 4686.75</b> |  | <b>Tgt Displ.: 0.00</b>          |  |
| <b>Location: Sect. 2, 26S-32E</b>           |  |  |  | <b>Easting:</b>              |  |  |  | <b>Tgt E/W: -244.13</b> |  | <b>Method: Minimum Curvature</b> |  |

| 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  | 360.00 | 720.00  | 0.00    | 0.00    | 0.00    | 0.00  | 0.00  | 0.00  | Rustler             |
| 2   | 2900.00  | 2180.00 | 0.00  | 360.00 | 2900.00 | 0.00    | 0.00    | 0.00    | 0.00  | 0.00  | 0.00  | Castille            |
| 3   | 4220.00  | 1320.00 | 0.00  | 360.00 | 4220.00 | 0.00    | 0.00    | 0.00    | 0.00  | 0.00  | 0.00  | Base of Salt        |
| 4   | 4650.00  | 430.00  | 0.00  | 360.00 | 4650.00 | 0.00    | 0.00    | 0.00    | 0.00  | 0.00  | 0.00  | Bell Canyon         |
| 5   | 5300.00  | 650.00  | 0.00  | 360.00 | 5300.00 | 0.00    | 0.00    | 0.00    | 0.00  | 0.00  | 0.00  | Cherry Canyon       |
| 6   | 7480.00  | 2180.00 | 0.00  | 360.00 | 7480.00 | 0.01    | 0.01    | 0.00    | 0.00  | 0.00  | 0.00  | Brushy Canyon       |
| 7   | 8772.54  | 8772.54 | 0.00  | 357.02 | 8772.54 | 0.01    | 0.01    | 0.00    | 0.00  | -0.03 | 0.00  | KOP                 |
| 8   | 8800.00  | 27.46   | 3.30  | 357.02 | 8799.98 | 0.80    | 0.80    | -0.04   | 12.00 | 0.00  | 12.00 |                     |
| 9   | 8900.00  | 100.00  | 15.30 | 357.02 | 8898.49 | 16.92   | 16.90   | -0.88   | 12.00 | 0.00  | 12.00 |                     |
| 10  | 8981.61  | 209.07  | 25.09 | 357.02 | 8974.99 | 45.06   | 45.00   | -2.34   | 12.00 | 0.00  | 12.00 | Bone Springs        |
| 11  | 9000.00  | 18.39   | 27.30 | 357.02 | 8991.49 | 53.18   | 53.10   | -2.77   | 12.01 | 0.00  | 12.01 |                     |
| 12  | 9032.66  | 51.05   | 31.22 | 357.02 | 9019.98 | 69.13   | 69.04   | -3.60   | 12.00 | 0.00  | 12.00 | Avalon Shale        |
| 13  | 9100.00  | 67.34   | 39.30 | 357.02 | 9074.92 | 107.97  | 107.83  | -5.62   | 12.00 | 0.00  | 12.00 |                     |
| 14  | 9200.00  | 100.00  | 51.30 | 357.02 | 9145.14 | 178.92  | 178.68  | -9.31   | 12.00 | 0.00  | 12.00 |                     |
| 15  | 9300.00  | 100.00  | 63.30 | 357.02 | 9199.07 | 262.91  | 262.56  | -13.68  | 12.00 | 0.00  | 12.00 |                     |
| 16  | 9400.00  | 100.00  | 75.30 | 357.02 | 9234.36 | 356.28  | 355.80  | -18.53  | 12.00 | 0.00  | 12.00 |                     |
| 17  | 9500.00  | 100.00  | 87.30 | 357.02 | 9249.47 | 454.95  | 454.33  | -23.67  | 12.00 | 0.00  | 12.00 |                     |
| 18  | 9522.53  | 750.00  | 90.00 | 357.02 | 9250.00 | 477.47  | 476.83  | -24.84  | 12.00 | 0.00  | 12.00 | Avalon Shale Target |
| 19  | 13738.18 | 4215.64 | 90.00 | 357.02 | 9250.01 | 4693.11 | 4686.76 | -244.13 | 0.00  | 0.00  | 0.00  | Lateral TD          |

