

Submit 1 Copy 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

State of New Mexico  
Energy, Minerals and Natural Resources

2nd Copy 5-23-11  
Form C-103  
October 13, 2009

HOBBS OCD

MAY 25 2011

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

WELL API NO. 30-005-29131
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-7395
7. Lease Name or Unit Agreement Name Kruiser BLK State
8. Well Number 2
9. OGRID Number 025575
10. Pool name or Wildcat Tulk; Wolfcamp, SW

SUNDRY RECEIVED 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>J</u> : <u>1980</u> feet from the <u>South</u> line and <u>2130</u> feet from the <u>East</u> line Section <u>36</u> Township <u>15S</u> Range <u>30E</u> NMPM <u>Chaves</u> County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4166' 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 ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐ OTHER: 4-1/2" liner ☒

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.

2/20/11 - TD 7580'. Drill cement plugs. PU directional tools. Tagged something at 4437'. Picked up swivel and worked through. Tagged TOC at 7485'. Dressing off cement.  
2/21/11 - Dress off cement and continue to drill.  
2/28/11 - Reached TD 6-1/8" hole to 9790'. Circulated hole clean.  
3/4/11 - Set 4-1/2" 11.6# HCP-110 LT&C liner at 9790'. Hang liner. TOL at 7450'. Float collar at 9711'. Cemented with 305 sx Versacem Class "H" cement + 0.4% CFR-3 + 0.5% Halad4-344 + 0.1% Salt (yld 1.22, wt 14.5). NMOCD was notified of intent to cement via voicemail but did not witness.

Spud Date: 4/30/10

Rig Release Date: 3/4/11

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 17, 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 MAY 26 2011  
Conditions of Approval (if any):