

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

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|---|
| WELL API NO. 30-015-41726 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Roy AET |
| 8. Well Number 6H |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat Penasco Draw; SA-Yeso |

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| 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>N</u> : <u>530</u> feet from the <u>South</u> line and <u>150</u> feet from the <u>East</u> line Unit Letter <u>C</u> : <u>400</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>8</u> Township <u>19S</u> Range <u>25E</u> NMPM Eddy County | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,529' 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"/> | | | |
| CLOSED-LOOP SYSTEM <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.

12/29/13 - Drilled to 1,843' KOP and continued drilling directional

1/1/14 - Drilled to 2,656' and reduced hole to 8-1/2" and continued drilling.

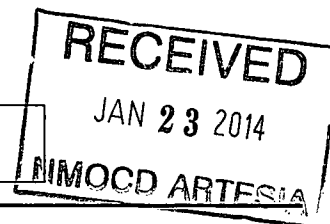
1/7/14 - Reached TD 8-1/2" to 6,958'.

1/9/14 - Set 5-1/2" 17# L-80 BTC casing at 6,958'. DV/stage tool at 1,792'. Float collar at 6,910'. Cemented stage 1 with 190 sacks Class "C" cement + 380 lb B288 + 36 lb D013 + 428 lb D020 + 950 lb D042 + 899 lb D044 + 29 lb D046 + 57 lb D065 + 24 lb D130 + 380 lb D208 (yld 2.08, wt 12.0). Tailed in with 780 sacks Class "C" + 117 lb D046 + 293 lb D112 + 17550 lb D151 + 876 lb D174 + 59 lb D208 (yld 1.82, wt 13.0). Circulated 80 bbls of cement to half round. WOC. Cemented stage 2 with 190 sacks Class "C" + 380 lb B288 + 36 lb D013 + 428 lb D020 + 950 lb D042 + 899 lb D044 + 29 lb D046 + 57 lb D065 + 24 lb D130 + 380 lb D208 (yld 2.08, wt 12.0). Tailed in with 130 sacks Class "C" + 390 lb D042 + 332 lb D044 + 23 lb D046 + 16 lb D130 + 2 lb D208 (yld 1.36, wt 14.2). Circulated 20 sacks to pit.

Size of hole when spudded is 26".

Spud Date: 12/21/13

Rig Release Date: 1/11/14



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

SIGNATURE Laura Watts TITLE Regulatory Reporting Technician DATE January 21, 2014

Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

For State Use Only

APPROVED BY: [Signature] TITLE Dist. P. Supervisor DATE 1/31/14
Conditions of Approval (if any):