

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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| 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"/> | | WELL API NO. 30-015-38419 |
| 2. Name of Operator Yates Petroleum Corporation | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 | | 6. State Oil & Gas Lease No. VO-7679 |
| 4. Well Location Unit Letter <u>P</u> : <u>430</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Unit Letter <u>M</u> : <u>660</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>36</u> Township <u>25S</u> Range <u>31E</u> NMPM <u>Eddy</u> County | | 7. Lease Name or Unit Agreement Name Coltrane BQR State Com |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3299'GR | | 8. Well Number 1H |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data. | | 9. OGRID Number 025575 |
| NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/> | | 10. Pool name or Wildcat Wildcat; Bone Spring |
| SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: 5' new hole <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.

9/25/14 – Made 5' new hole. TD 360'. Hole size 10".

NM OIL CONSERVATION
 ARTESIA DISTRICT

SEP 29 2014

RECEIVED

Spud Date: 1/31/11

Rig Release Date:

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 September 26, 2014

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

For State Use Only **Accepted for record**
NMOCD

APPROVED BY: _____ TITLE _____ DATE 10/8/14

Conditions of Approval (if any):

** See Attached COAs*

Permit Conditions of Approval

API: 30-0

| OCD Reviewer | Condition |
|--------------|--|
| CSHAPARD | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |