

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

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

SEP 30 2014

RECEIVED

WELL API NO. 30-015-42059
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VO-7654
7. Lease Name or Unit Agreement Name Chamaeleon BIN State Com
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Hay Hollow; Bone Spring

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 [X] Gas Well [] Other []
2. Name of Operator Yates Petroleum Corporation
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210
4. Well Location Unit Letter A : 10 feet from the North line and 990 feet from the East line
Unit Letter Lot 1 : 330 feet from the South line and 660 feet from the East line
Section 25 Township 26S Range 27E NMPM Eddy County
Section 36 Township 26S Range 27E NMPM Eddy County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,110' 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 []
CLOSED-LOOP SYSTEM []
OTHER []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS [] P AND A []
CASING/CEMENT JOB []
OTHER: Production casing [X]

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.

9/3/14 - Drilled to 7,205' KOP and continued drilling directional. Drilled to 8,165' reduced hole to 8-1/2" and resumed drilling.
9/16/14 - Reached TD 8-1/2" hole to 14,595'.
9/18/14 - Set 5-1/2" 17# P-110 BT&C casing at 14,590'. Float collar set at 14,586'. Cemented with 700 sacks LiteCrete + 0.4% D46 + 2% D174 + 2.8% D800 + 0.1% D65 + 4% D167 (yld 2.73, wt 9.0). Tailed in with 1690 sacks Pecos Valley Lite + 0.2% D065 + 0.2% D46 + 2% D174 + 5% D154 + 0.3% D238 + 3#/sx D042 + 0.7% D800 (yld 1.36, wt 13.5).

Spud Date: 7/10/14 Rig Release Date: 9/28/14

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: September 29, 2014

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

For State Use Only

APPROVED BY: Wade TITLE: Dist # Supervisor DATE: 10/8/14

Conditions of Approval (if any):