

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

HOBBS OGD

JAN 14 2013

CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-40566
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1179
7. Lease Name or Unit Agreement Name Pirate BRY State
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Red Hills; Bone Spring, North

<p>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.)</p>																																		
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>																																		
<p>2. Name of Operator Yates Petroleum Corporation</p>																																		
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>																																		
<p>4. Well Location</p> <table border="0"> <tr> <td>Unit Letter</td> <td>O</td> <td>:</td> <td>460</td> <td>feet from the</td> <td>South</td> <td>line and</td> <td>1650</td> <td>feet from the</td> <td>East</td> <td>line</td> </tr> <tr> <td>Unit Letter</td> <td>B</td> <td>:</td> <td>350</td> <td>feet from the</td> <td>North</td> <td>line and</td> <td>1980</td> <td>feet from the</td> <td>East</td> <td>line</td> </tr> <tr> <td>Section</td> <td>16</td> <td></td> <td>Township</td> <td>24S</td> <td>Range</td> <td>34E</td> <td>NMPM</td> <td>Lea</td> <td>County</td> <td></td> </tr> </table>		Unit Letter	O	:	460	feet from the	South	line and	1650	feet from the	East	line	Unit Letter	B	:	350	feet from the	North	line and	1980	feet from the	East	line	Section	16		Township	24S	Range	34E	NMPM	Lea	County	
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<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3527'GR</p>																																		

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: 5' new hole ☒

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.

1/9/13 - Made 5' new hole at 10:35 AM. TD 65'. Hole size 12-1/4". Notified Elidio Gonzales NMOCD-Hobbs of operations via email.

Spud Date:

5/30/12

Rig Release Date:

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

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE January 10, 2013

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE Dist Mgr DATE 1-15-2013

Conditions of Approval (if any).