

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 87401
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

WELL API NO. 30-025-41057
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-5532
7. Lease Name or Unit Agreement Name Heartthrob BSX State
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Triple X; Bone Spring, West

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 ☒ 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 C : 200 feet from the North line and 1860 feet from the West line
Unit Letter N : 330 feet from the South line and 1980 feet from the West line
Section 17 Township 24S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,582' 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 ☒

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.

3/12/14 - Drilled to 10,690' KOP and resumed drilling directional.

3/15/14 - Drilled to 11,412' and reduced hole to 8-1/2" and resumed drilling.

3/18/14 - Reached TD 8-1/2" hole to 15,824'.

3/19/14 - Set 5-1/2" 17# HCP -110, P-110 Buttruss casing at 15,774'. Diversion tool/stage tool set at 6,973' and 9,964. Float collar at 15,724'. Cemented stage 1 with 1025 sacks TXI Litewt + 0.2% D046 + 75#/sx D049 + 0.5% D112 + 30% D151 + 2% D174 + 0.01 gal/sx D177 + 0.15% D208 + 0.9% D800 (yld 1.83, wt 13). Circulated 154 sacks off top of DV tool to the surface. Cemented stage 2 with 450 sacks TXI Litewt + 4% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 75#/sx D049 + 0.2% D065 + 0.125#/sx D130 + 0.6%

CONTINUED ON NEXT PAGE:

Spud Date:

2/11/14

Rig Release Date:

3/22/14

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 March 28, 2014

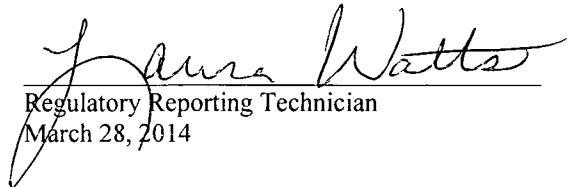
Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272
For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE APR 01 2014
Conditions of Approval (if any):

APR 01 2014

Form C-103 continued:

D201 + 0.03% D208 (yld 2.00, wt 12.00). Tailed in with 100 sacks TXI Litewt + 0.2% D046 + 75#/sx D049 + 0.2% D065 + 1% D112 + 1.5% D174 + 0.3% D201 (yld 1.42, wt 13.00). Circulated 14 sacks off DV tool to the surface. Cemented stage 3 with 320 sacks TXI Litewt + 4% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 75#/sx D049 + 0.2% D065 + 0.125#/sx D130 + 0.4% D201 + 0.03% D208 (yld 2.00, wt 12.00). Tailed in with 100 sacks TXI Litewt + 3% D020 + 0.2% D046 + 75#/sx D049 + 0.2% D065 + 1% D112 + 1.5% D174 + 0.1% D201 (yld 1.46, wt 13.00). Calculated TOC at 4,722'.


Regulatory Reporting Technician
March 28, 2014