

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
APR 17 2014
RECEIVED

Energy, Minerals and Natural Resources

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

WELL API NO. 30-025-41745
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1637
7. Lease Name or Unit Agreement Name Toucan BUY State
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat San Simon; Bone Spring, Northeast

<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>D</td> <td>:</td> <td>200</td> <td>feet from the</td> <td>North</td> <td>line and</td> <td>660</td> <td>feet from the</td> <td>West</td> <td>line</td> </tr> <tr> <td>Unit Letter</td> <td>M</td> <td>:</td> <td>330</td> <td>feet from the</td> <td>South</td> <td>line and</td> <td>660</td> <td>feet from the</td> <td>West</td> <td>line</td> </tr> <tr> <td>Section</td> <td>27</td> <td></td> <td></td> <td>Township</td> <td>21S</td> <td>Range</td> <td>35E</td> <td>NMPM</td> <td>Lea</td> <td>County</td> </tr> </table>		Unit Letter	D	:	200	feet from the	North	line and	660	feet from the	West	line	Unit Letter	M	:	330	feet from the	South	line and	660	feet from the	West	line	Section	27			Township	21S	Range	35E	NMPM	Lea	County
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<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,585' GR</p>																																		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>CLOSED-LOOP SYSTEM <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>		<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER 5' new hole <input checked="" type="checkbox"/></p>	
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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.

4/15/14 - Made 4' new hole. TD 8'. Hole size 6". Notified Maxey Brown with NMOCD-Hobbs of operations via e-mail.

Spud Date:

3/27/14

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 April 16, 2014

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

For State Use Only

APPROVED BY: MSB 4/21/2014 DATE 4/21/2014

Conditions of Approval (if any):

APR 21 2014