

District I 1625 N French Dr, Hobbs, NM 88240
District II 1301 W Grand Ave, Artesia, NM 88210
District III 1000 Rio Brazos Rd, Aztec, NM 87410
District IV 1220 S St Francis Dr, Santa Fe, NM 87505

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

HOBBS OCD JUL 06 2011 RECEIVED

WELL API NO. 30-025-40058
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VB-0870
7. Lease Name or Unit Agreement Name Orion BQO State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat; Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3892'GR

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 O : 660 feet from the South line and 1980 feet from the East line Section 36 Township 17S Range 35E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3892'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 []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

OTHER: []

OTHER: 5' new hole [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.

7/1/11 - Made 5' new hole at 2:50 PM. TD 40'. Hole size 12-1/4". Notified E.L. Gonzales NMOCD-Hobbs of operations via email.

Spud Date: 3/1/11

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 Compliance Supervisor DATE July 5, 2011

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

For State Use Only

APPROVED BY: E. Gonzales TITLE SPM DATE 7-6-2011
Conditions of Approval (if any):