

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 87410
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

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| 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.) | | WELL API NO. 30-025-36622 ✓ |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> HOBBS OCD | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Yates Petroleum Corporation ✓ | | 6. State Oil & Gas Lease No. VO-5542 |
| 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 | | 7. Lease Name or Unit Agreement Name Cash BNF State Com ✓ |
| 4. Well Location Unit Letter <u>F</u> : <u>1500</u> feet from the <u>North</u> line and <u>1340</u> feet from the <u>West</u> line Section <u>18</u> Township <u>10S</u> Range <u>34E</u> NMPM Lea County ✓ | | 8. Well Number 2 ✓ |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,209' | | 9. OGRID Number 025575 |
| 10. Pool name or Wildcat X-4 Ranch; Morrow, West | | |

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

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

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.

7/27/14-8/5/14 - NU BOP. Tagged up at 4715' and started drilling to where fish was supposed to be at 4746'. Tagged up solid. Shoe quit cutting at this point and worked to see if we had fish and grapple was not grabbing. Began circulating. Started milling with shoe at 4715' and kept milling down to 4735'. Began milling again at 4750'. Well took 80 bbls and did not break circulation. Took 236 bbls to break circulation. Circulated clean. ND BOP.

8/17/14-8/24/14 - NU BOP. Tagged at 4748'. Circulated hole with 2% KCL. Pumped down 5-1/2" casing and up 2-7/8" tubing. 72 bbls to break circulation. Pumped 120 bbls 3% KCL. Pumped down 5-1/2" casing, pumped 35 bbls. Nothing up 9-5/8", pumped down 9-5/8" - 8 bbls to load. Pressured up to 1500 psi for 15 min, good. POH with tubing. Ran casing inspection log from 4741' up to 3750'. Ran acoustic pipe log from 4741' up to 2650'. Pumped 85 bbls to break circulation. Washed down to 4760'. Milled to 4771'. Free down to 4768'. Circulated clean. 2-7/8" 6.5Lb L-80 tubing at 4596'.

Spud Date: 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 October 13, 2014

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

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 10/15/14

Conditions of Approval (if any):

OCT 16 2014