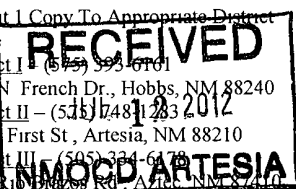


Submit 1 Copy To Appropriate District Office
District I - (505) 393-6101
1625 N French Dr., Hobbs, NM 88240
District II - (505) 748-1283
811 S First St., Artesia, NM 88210
District III - (505) 334-6178
1000 E. Main St., Artesia, NM 88210
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505



State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised August 1, 2011

WELL API NO. 30-015-39735
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-2974
7. Lease Name or Unit Agreement Name Canyon BJK State Com
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Nash Draw; Delaware-Bone Spring Avalon Sand

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
4. Well Location Unit Letter <u>O</u> : <u>455</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>East</u> line Unit Letter <u>O</u> : <u>410</u> feet from the <u>South</u> line and <u>2272</u> feet from the <u>East</u> line Section-Surf <u>6</u> Township <u>25S</u> Range <u>30E</u> NMPM <u>Eddy</u> County Section-BHL <u>1</u> Township <u>25S</u> Range <u>29E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3189'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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Completion Operations ☒

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.

5/14/12 - NU BOP.

5/15/12 - Tagged DV tool at 8495'. Pressure tested to 1500 psi, held good. Drilled out DV tool. Circulated hole clean. Tested casing to 3000 psi, held good for 10 min.

5/16/12 - Tagged float collar at 14,248'. Tested casing to 3200 psi, held good for 30 min. Pumped 500g Zylene and 1200g 15% HCL. Circulated 320 bbls 3% KCL with chemical behind acid. Cleaned through DV tool. Logged from 9250' to surface. TOC at 4390'.

5/20/12 - Perforated Bone Spring 14,225' (12), 14,093' (12), 13,961' (12) and 13,829' (12).

5/21/12 - ND BOP.

6/19/12 - Acidized with 4985g 7-1/2% HCL, frac with 233,179# 20/40 Jordan-Unimin, 86,213# 20/40 Super LC. Perforated 13,697' (10), 13,565' (12), 13,433' (12) and 13,301' (10). Acidized with 2486g 7-1/2% HCL, frac with 228,592# 20/40 Jordan-Unimin, 57,804# 20/40 Super LC.

CONTINUED ON NEXT PAGE:

Spud Date: 3/3/12

Rig Release Date: 4/11/12

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 July 11, 2012

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 H Spewer DATE 7/10/12
Conditions of Approval (if any):

Form C-103 continued:

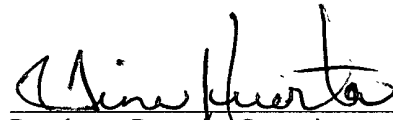
6/20/12 – Pumped 350 bbls down casing to make sure casing is clear. Spotted 2500g 7-1/2% HCL at 13,235'. Perforated 13,169' (10), 13,037' (12), 12,905' (12) and 12,773' (10). Acidized with 2481g 7-1/2% HCL, frac with 207,330# 20/40 Jordan-Unimin, 20,140# 20/40 Super LC. Spotted 2500g 7-1/2% HCL at 12,707'. Perforated 12,641' (10), 12,509' (12), 12,377' (12) and 12,245' (10). Acidized with 2479g 7-1/2% HCL, frac with 203,495# 20/40 Jordan-Unimin, 62,032# 20/40 Super LC. Spotted 2500g 7-1/2% HCL at 12,135'. Perforated 12,113' (10), 11,981' (12), 11,849' (12) and 11,717' (10). Acidized with 2473g 7-1/2% HCL, frac with 233,808# 20/40 Jordan-Unimin, 69,523# 20/40 Super LC. Spotted 2500g 7-1/2% HCL at 11,651'. Perforated 11,585' (10), 11,453' (12), 11,321' (12) and 11,189' (10).

6/21/12 – Acidized with 2500g 7-1/2% HCL, frac with 220,619# 20/40 Jordan-Unimin, 71,021# 20/40 Super LC. Spotted 2500g 7-1/2% HCL at 11,128'. Perforated 11,057' (10), 10,925' (12), 10,793' (12) and 10,661' (10). Acidized with 2443g 7-1/2% HCL, frac with 217,787# 20/40 Jordan-Unimin, 69,932# 20/40 Super LC. Spotted 2500g 7-1/2% HCL at 10,595'. Perforated 10,529' (10), 10,397' (12), 10,265' (12) and 10,133' (10). Acidized with 2487g 7-1/2% HCL, frac with 216,552# 20/40 Jordan-Unimin, 73,079# 20/40 Super LC. Spotted 2500g 7-1/2% HCL at 10,067'. Perforated 10,001' (10), 9869' (12), 9737' (12) and 9605' (10). Acidized with 2481g 7-1/2% HCL, frac with 240,937# 20/40 Jordan-Unimin, 70,850# 20/40 Super LC.

6/30/12 – Circulated hole clean to PBTD at 14,244'.

7/3/12 – Pumped 120 bbls brine water down well. 2-7/8" 6.4# L-80 tubing at 8793'.

Current wellbore schematic and Directional Surveys enclosed



Regulatory Reporting Supervisor

July 11, 2012

WELL NAME: Canyon BJK St Com #2H FIELD

LOCATION: Unit O, 455' FSL and 2310' FEL (Surf) Sec 6-25S-30E Eddy County

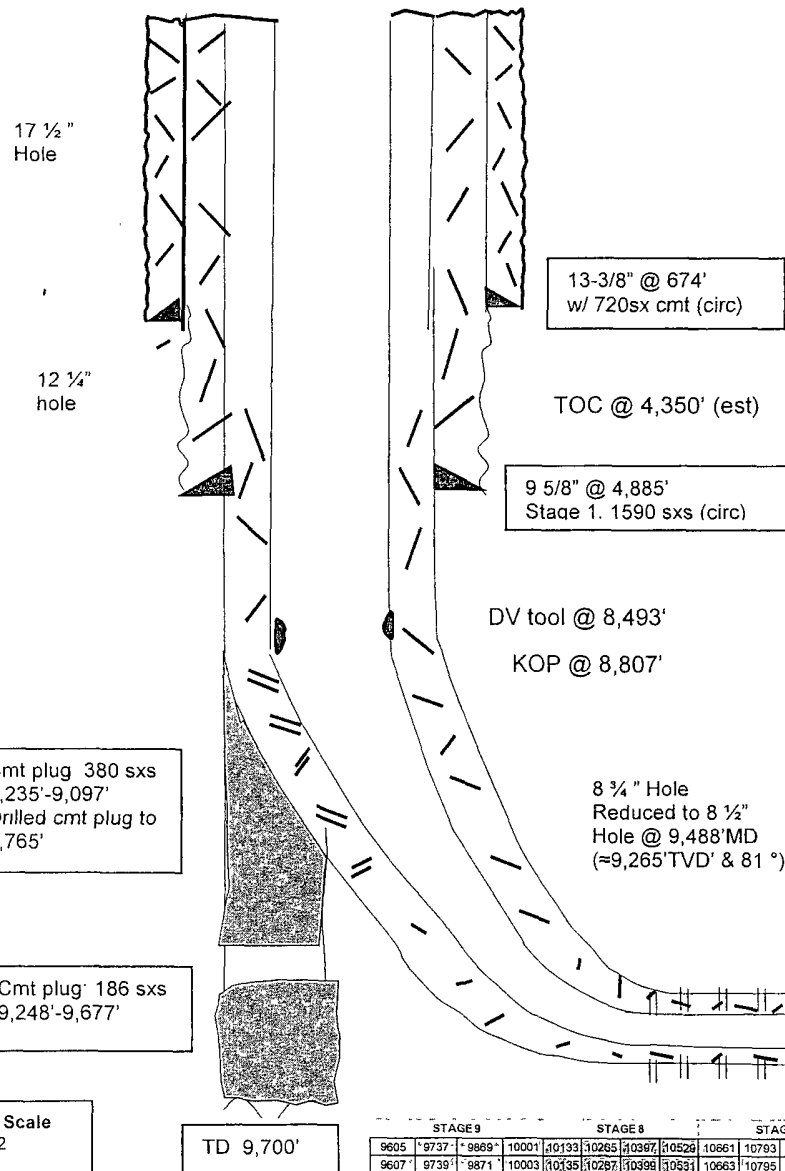
GL: 3,189' ZERO: KB: 3,215.5'

SPUD DATE: 3/17/12 COMPLETION DATE:

COMMENTS: API No.: 30-015-39735

CASING PROGRAM

13-3/8" 48# J-55 St&C	674'
9-5/8" 36# & 40# K-55 & HCK-55 LT&C	4,885'
5 1/2" 17# P-110 LT&C & Buttress (Buttress from 8,586' to TD)	14,334'



Formation tops:

Rustler	622'
TOS	919'
BOS	3289'
Bell Canyon	3539'
Cherry Canyon	4409'
Brushy Canyon	5658'
Br Cny marker	7042'
Bone Springs	7304'
2 nd B Spr snd	9064'

8 1/2" Hole
9,748'-14,332'

5-1/2" @ 14,332' MD, (9,202'TVD, 94°)
Stage 1 1025 sxs cmt (circ)
Stage 2 750 sxs cmt

TD 14,334' MD
(9,202' TVD)
FC 14,244' MD
94° inc

Not to Scale
4/10/12
MMFH

STAGE 9			STAGE 8			STAGE 7			STAGE 6			STAGE 5			STAGE 4			STAGE 3			STAGE 2			STAGE 1											
9605	9737	9869	10001	10133	10265	10397	10529	10661	10793	10925	11057	11189	11321	11453	11585	11717	11849	11981	12113	12245	12377	12509	12641	12773	12905	13037	13169	13301	13433	13565	13697	13829	13961	14093	14225
9607	9739	9871	10003	10135	10267	10399	10531	10663	10795	10927	11059	11191	11323	11455	11587	11719	11851	11983	12115	12247	12379	12511	12643	12775	12907	13039	13171	13303	13435	13567	13699	13831	13963	14095	14227