

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1288
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

RECEIVED FEB 28 2013 OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-40186
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. V-3459
7. Lease Name or Unit Agreement Name Southland Royalty APM State
8. Well Number 5H
9. OGRID Number 025575
10. Pool name or Wildcat Turkey Track; Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3327'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 M : 200 feet from the South line and 500 feet from the West line
Unit Letter D : 330 feet from the North line and 660 feet from the West line
Section 24 Township 19S Range 29E NMPM Eddy County

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: Surface casing [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.

2/10/13 - Resumed drilling at 6:45 PM.
2/11/13 - TD 17-1/2" hole to 375' at 5:30 AM. Set 13-3/8" 48# J-55 ST&C casing at 374'. Cemented with 400 sx Class "C" + 3#/sx D042 (yld 1.34, wt 14.8). Ran temperature survey and found TOC at 180'. Ran in hole with 1" and tagged at 178'. Cemented with 25 sx Class "C" + 2% CaCl2 (yld 1.34, wt 14.8).
2/12/13 - WOC. Tagged at 178'. Cemented 25 sx Class "C" + 2% CaCl2 (yld 1.34, wt 14.8). WOC. Tagged at 168'. Cemented with 25 sx Class "C" + 2% CaCl2 (yld 1.34, wt 14.8). WOC. Tagged at 116'. Cemented with 25 sx Class "C" + 2% CaCl2 (yld 1.34, wt 14.8). WOC. Tagged at 45'. Cemented with 50 sx Class "C" + 2% CaCl2 (yld 1.34, wt 14.8). Circulated 20 sx to surface. Tested casing to 600 psi for 30 min. WOC 55 hrs 50 min. Reduced hole to 12-1/4" and resumed drilling.

Spud Date: 2/5/13

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 February 25, 2013

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

For State Use Only

APPROVED BY: [Signature] TITLE District Director DATE 2/29/13
Conditions of Approval (if any):