

Submit 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

WELL API NO. 30-015-39749
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3459
7. Lease Name or Unit Agreement Name Southland Royalty APM State
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Pierce Crossing; Bone Spring, East

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 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 P : 200 feet from the South line and 510 feet from the East line
 Unit Letter A : 330 feet from the North line and 660 feet from the East line
 Section 24 Township 19S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,356' 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
 CLOSED-LOOP SYSTEM
 OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB
 OTHER: Production casing

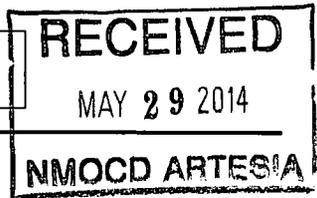
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

5/12/14 - Drilled to 7,500' KOP and resumed drilling directional.
 5/13/14 - Drilled to 8,659' reduced hole from 8-3/4" to 8-1/2" and resumed drilling.
 5/19/14 - Reached TD 8-1/2" hole to 12,775'. Notified Randy Dade with NMOCD-Artesia of intent to set casing and cement.
 5/20/14 - Set 5-1/2" 17# P-110 BT&C casing at 12,770'. Diversion tool/stage tool at 7,503'. Float collar at 12,722'. Cemented stage 1 with 1230 PVLite + 2% D020 + 3#/sx D042 + 0.2% D046 + 75#/sx D049 + 0.3% D065 + 0.125#/sx D130 + 0.4% D167 + 2% D174 + 0.3% D201 (yld 1.41, wt 13.2). Circulated cement to the surface. Cemented stage 2 with 670 sacks 35:65:6 Poz "C" + 3% D020 + 29#/sx D035 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.125#/sx D130 + 0.1% D201 + 0.03% D208 + 61#/sx D903 (yld 2.00, wt 12.6).

CONTINUED ON NEXT PAGE:

Spud Date:

Rig Release Date:



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

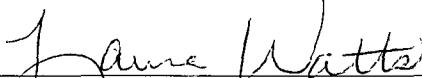
SIGNATURE Laura Watts TITLE Regulatory Reporting Technician DATE May 28, 2014

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

APPROVED BY: Randy Dade TITLE Dist. H. Spurr DATE 6/6/14
 Conditions of Approval (if any):

Form C-103 continued:

Tailed in with 100 sacks 50/50 Poz "C" + 0.1% D013 + 0.2% D046 + 75#/sx D049 + 0.1% D065 + 0.4% D167 + 2% D174 + 0.03% D208 (yld 1.36, wt 13.2). Circulated 84 sacks to the surface. Cemented stage 3 with 410 sacks 35:65:6 Poz "C" + 2.5% D020 + 29#/sx D035 + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 61#/sx D903 (yld 1.99, wt 12.6). Tailed in with 100 sacks 50/50 Poz + 42#/sx D035 + 5% D044 + 0.2% D046 + 0.2% D065 + 47#/sx D903 (yld 1.35, wt 14.2). Circulated 34 sacks to the surface.



Regulatory Reporting Technician
May 28, 2014