

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

MAR 9 2015 OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-015-42893
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0545
7. Lease Name or Unit Agreement Name Macanudo BTE State Com
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Willow Lake; Bone Spring, West

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 I : 2365 feet from the South line and 605 feet from the East line
Unit Letter A : 330 feet from the North line and 660 feet from the East line
Section 23 Township 24S Range 27E NMPM Eddy County
Section 14 Township 24S Range 27E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,171' GR

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER: Surface 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.

3/2/15 - Resumed drilling with rotary tools at 12:30 pm.

3/3/15 - TD 17-1/2" hole to 749'. Set 13-3/8" 48# J-55 ST&C casing at 749'. Cemented with 225 sacks Class "C" + 0.2% D013 + 5% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.13#/sx D130 + 94#/sx D903 (yld 2.15, wt 12.8). Tailed in with 200 sacks Class "C" + 1.5% D020 + 3#/sx D042 + 0.13#/sx D130 + 94#/sx D903 + 1% S001 (yld 1.71, wt 13.50). Circulated 53 sacks to the surface.

3/4/15 - Pressure tested casing to 800 psi, good. WOC 21 hours 30 mins. Reduced hole to 12-1/4" and continued drilling.

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: March 6, 2015

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

For State Use Only

APPROVED BY: [Signature] TITLE: Dist. H. Spewer DATE: 3/13/15
Conditions of Approval (if any):