

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
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

<p align="center">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.)</p>		<p>WELL API NO. 30-015-37786</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Chevron BOT</p>
<p>4. Well Location</p> <p>Surface J : 2310 feet from the South line and 2310 feet from the East line BHL J : 7608 feet from the South line and 1672 feet from the East line</p> <p>Surface-Sec 5 Township 24S Range 29E NMPM Eddy County BHL-Sec 32 Township 23S Range 29E NMPM Eddy County</p>		<p>8. Well Number 5H</p> <p>9. OGRID Number 025575</p> <p>10. Pool name or Wildcat Wildcat; Bone Spring</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2952'GR</p>		

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

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

10/19/10 – NU BOP. Tagged cement at 6945'. Washed down to DV tool at 7039'. Drilled out DV tool and circulated clean. Cleaned out DV tool.

10/20/10 – Ran CBL/VDL/Collar log from 7520' up to surface.

10/21/10 – RIH with 4-3/4" bit and tubing to float collar at 12,739'.

10/24/10 – Reverse circulated 500g Xylene and 1200g 15% HCL acid. Displaced hole with 2% KCL.

10/25/10 – Perforated Bone Spring 12,722' (12), 12,602' (12), 12,482' (12) and 12,362' (12). Spotted 2500g 15% HCL acid to top perf down tubing.

10/26/10 – ND BOP.

1/24/11 – Acidized with 2500g 7-1/2% acid. Frac with 30# borate gel, 191,530# 20/40 Jordan-Unimin, 84,659# 20/40 Super LC.

1/26/11 – Set a flow through plug at 12,176'. Perforated Bone Spring 12,150' (6), 11,650' (6), 11,150' (6), 10,605' (6), 9650' (6), 9150' (6) and 8650' (6).

Spud Date:

5/23/10

Rig Release Date:

6/14/10

RECEIVED

FEB 04 2011

NMOCD ARTESIA

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

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE February 1, 2011

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

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APPROVED BY: Donald Gray TITLE Field Supervisor DATE 2-8-11

Conditions of Approval (if any):