

Submit 1 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 August 1, 2011

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

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|---|
| WELL API NO. 30-015-39792 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VO-6670 |
| 7. Lease Name or Unit Agreement Name Doc BHU State Com |
| 8. Well Number 5H |
| 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)

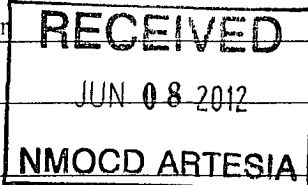
1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 South Fourth Street, Artesia, NM 88210

4. Well Location
 Unit Letter O . 430 feet from the South line and 2310 feet from the East line
 Unit Letter O . 430 feet from the South line and 2310 feet from the East line
 Surf-Section 6 Township 25S Range 30E NMPM Eddy County
 BHL-Section 5 Township 25S Range 30E NMPM Eddy 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: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| OTHER <input type="checkbox"/> | | OTHER: Intermediate and production casing <input checked="" type="checkbox"/> | |

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.

4/21/12 - TD 12-1/4" hole to 4876'. Set 9-5/8" 36#, 40# K-55 HCK-55 LT&C casing at 4876'. Cemeneted with 1226 sx Class "C" cement + 3#/sx D042 + 0.125#/sx D130 + 0.2% D046 + 4% D020 (yld 1.98, wt 12.9) Tailed in with 360 sx Class "C" cement + 3#/sx D042 + 0.125#/sx D130 + 0.2% D046 + 0.2% D013 (yld 1.35, wt 14.8). Circulated 113 sx to pit Tested casing to 1200 psi for 30 min, good WOC 21 hrs 35 min. Reduced hole to 8-3/4" and resumed drilling.

4/25/12 - Drilled to 7558' KOP and continued to drill directionally.

4/26/12 - Drilled to 8229' and reduced hole to 8-1/2" and continued drilling

5/1/12 - Reached TD 8-1/2" hole to 13,800' at 2:45 PM.

5/2/12 - Set 5-1/2" 20# L-80 LT&C casing at 13,780'. DV tool/stage tool at 6978'. Float collar at 13,688'. Cemented stage 1 with 1180 sx TXI Liteweight + 75#/sx D049 + 0.5% D112 + 30% D151 + 1.5% D174 + 0.1% D208 + 0.8% D800 + 0.2% D46 (yld 1.82, wt 13). Opened DV tool at 1080 psi and broke circulation. Circulated 222 sx off of DV tool. Cemented stage 2 with 310 sx 35:65:6 Poz "H" + 0.125#/sx D130 + 28# /sx D132 + 5% D20 + 0.2% D208 + 5% D44 + 61#/sx D909 + 0.2% D46 + 0.2% D201 (yld 2.11, wt 12.6) Tailed in with 200 sx 50/50 Poz + 5% D044 + 0.125#/sx D130 + 39#/sx D132 + 2% D174 + 2% D20 + 0.45% D207 + 5% D44 + 0.1% D800 + 0.2% D46 + 5#/sx D42 + 0.5% D65 (yld 1.36, wt 14). Calc TOC at 4375'. Displaced above DV tool with 3% KCL water + corrosion inhibitor.

Spud Date: 3/3/12 Rig Release Date: 5/4/12

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 May 11, 2012
 Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168
For State Use Only

APPROVED BY JD Wade TITLE Dist # Supervisor DATE 6/26/12
 Conditions of Approval (if any):