

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

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

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)		WELL API NO. 30-015-39302
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VB-1066
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Bullion BRL State
4. Well Location Unit Letter Lot 1 : 660 feet from the South line and 330 feet from the East line Unit Letter Lot 4 : 660 feet from the South line and 330 feet from the West line Section 32 Township 26S Range 30E NMPM Eddy County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2937'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Wildcat; Bone Spring

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: ☐

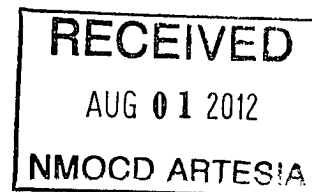
SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: 5' new hole ☒

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.

7/30/12 – Made 5' new hole at 12:14 PM. TD 75'. Hole size 12-1/4". Notified Randy Dade NMOCD-Artesia of operations via email.



Spud Date:

11/30/11

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 July 30, 2012

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

For State Use Only

APPROVED BY: R. Dade TITLE D.S. Supervisor DATE 8/3/12

Conditions of Approval (if any):