

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

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

WELL API NO. 30-015-38575
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-2041
7. Lease Name or Unit Agreement Name Anthill AAK State Com
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Parkway; Bone Spring

<p>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>RECEIVED JUL 23 2012 NMOCD ARTESIA</p>																																	
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>																																			
<p>2. Name of Operator Yates Petroleum Corporation</p>																																			
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>																																			
<p>4. Well Location</p> <table border="0"> <tr> <td>Unit Letter</td> <td>I</td> <td>:</td> <td>1980</td> <td>feet from the</td> <td>South</td> <td>line and</td> <td>330</td> <td>feet from the</td> <td>East</td> <td>line</td> </tr> <tr> <td>Unit Letter</td> <td>L</td> <td>:</td> <td>1985</td> <td>feet from the</td> <td>South</td> <td>line and</td> <td>361</td> <td>feet from the</td> <td>West</td> <td>line</td> </tr> <tr> <td>Section</td> <td colspan="2">2</td> <td>Township</td> <td colspan="2">20S</td> <td>Range</td> <td colspan="2">29E</td> <td>NMPM</td> <td>Eddy County</td> </tr> </table>			Unit Letter	I	:	1980	feet from the	South	line and	330	feet from the	East	line	Unit Letter	L	:	1985	feet from the	South	line and	361	feet from the	West	line	Section	2		Township	20S		Range	29E		NMPM	Eddy County
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Section	2		Township	20S		Range	29E		NMPM	Eddy County																									
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc) 3303'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>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 <input type="checkbox"/></p>		<p>OTHER Completion Operations <input checked="" type="checkbox"/></p>	

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.

5/20/12 - NU BOP.
 5/21/12 - Tagged at 6998'. Drilled 2' cement from 6998'-7000' Drilled DV tool at 7000'. Circulated hole clean. Pressure tested 5-1/2" casing to 2750 psi, held good Tagged hard at 12,320'
 5/22/12 - Tagged cement at 12,320'. Drilled hard cement to 12,468'. Tagged float collar and circulated hole clean Displaced from surface to 12,468' with 2% KCL.
 5/24/12 - Ran CBL/GR/CC log from 8340' to surface.
 5/28/12 - Perforate Bone Spring 12,466' (12), 12,317' (14) and 12,166' (10).
 5/29/12 - Tagged up on float collar at 12,466'. Spotted 2000g 15% HCL acid. Pumped 50 bbls 3% KCL with chemicals. Pumped 50 bbls down casing to clear acid.

CONTINUED ON NEXT PAGE:

Spud Date: 4/12/12 Rig Release Date: 5/18/12

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 July 19, 2012

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

APPROVED BY: DRDade TITLE Dr. H. Spewison DATE 8/29/12
 Conditions of Approval (if any):

Form C-103 continued:

5/30/12 – ND BOP.


6/25/12 – Frac with 20# borate x-linked gel, 63,673# 20/40 white sand. Spotted 2500g 7-1/2% HCL acid across perfs. Perforated 12,015' (12), 11,864' (14) and 11,713' (10). Frac with 20# borate x-linked gel, 306,994# 20/40 white sand, 60,873# 20/40 Super LC. Spotted 2500g 7-1/2% HCL acid across perfs. Perforated 11,562' (12), 11,411' (14) and 11,260' (10). Frac with 20# borate x-linked gel, 305,372# 20/40 white sand, 59,524# 20/40 Super LC. Spotted 2500g 7-1/2% HCL acid across perfs. Perforated 11,109' (12), 10,958' (14) and 10,807' (10). Frac with 20# borate x-linked gel, 305,391# 20/40 Jordan, 61,187# 20/40 Super LC.

6/26/12 – Spotted 2500g 7-1/2% HCL acid across perfs. Perforated 10,656' (12), 10,505' (14) and 10,354' (10). Frac with 20# borate x-linked gel, 306,203# 20/40 white sand, 59,400# 20/40 Super LC. Spotted 2500g 7-1/2% HCL acid across perfs. Perforated 10,203' (12), 10,052' (14) and 9901' (10). Frac with 20# borate x-linked gel, 305,483# 20/40 white sand, 62,148# 20/40 Super LC. Spotted 2500g 7-1/2% HCL acid across perfs. Perforated 9750' (12), 9599' (14) and 9448' (10). Frac with 20# borate x-linked gel, 305,448# 20/40 white sand, 61,573# 20/40 Super LC. Spotted 2500g 7-1/2% HCL acid across perfs. Perforated 9297' (12), 9146' (14) and 8995' (10). Frac with 20# borate x-linked gel, 305,264# 20/40 white sand, 63,023# 20/40 Super LC.

6/27/12 – Spotted 2500g 7-1/2% HCL acid across perfs. Perforated 8844' (12), 8693' (14) and 8542' (10). Frac with 20# borate x-linked gel, 314,708# 20/40 white sand, 80,154# 20/40 Super LC.

7/1/12 – Circulated hole clean down to 12,356'. ASI-X packer with blanking plug in place and 2-7/8" 6.4# L-80 tubing at 7686'.

Current wellbore schematic attached


Regulatory Reporting Supervisor
July 19, 2012

WELL NAME: Anthill AAK State Com # 2H FIELD:

LOCATION: (Surf) 1,980' FSL & 330' FEL, Section 2-20S-29E Eddy County

GL: 3,303' ZERO: KB: 3,321.5

SPUD DATE: 4/13/12 COMPLETION DATE:

COMMENTS: BHL 1,985' FSL & 361' FWL API No: 30-015-38575

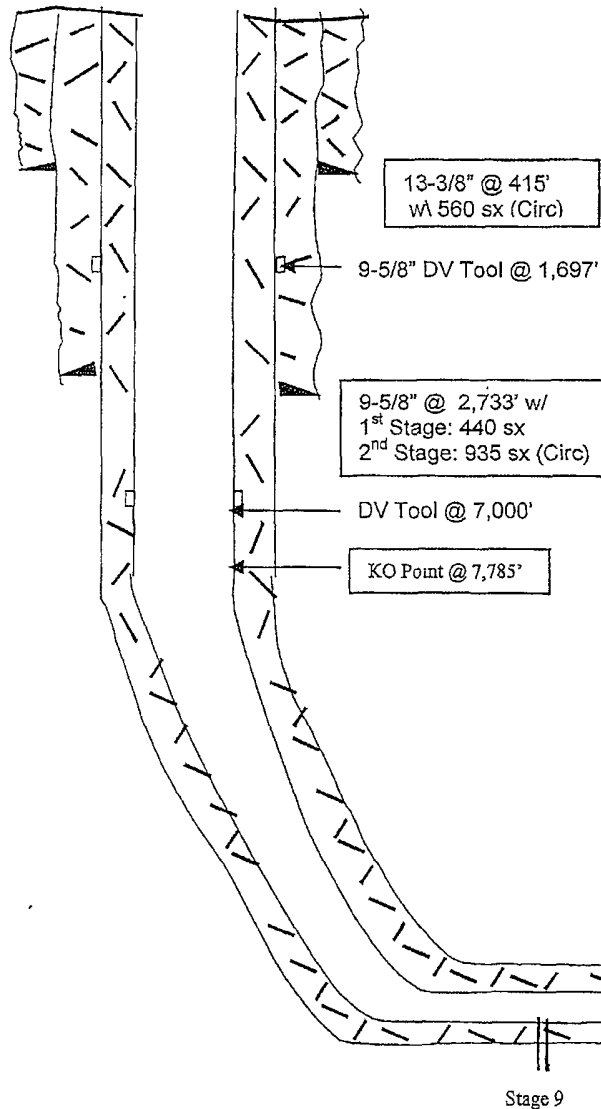
CASING PROGRAM

13-3/8" 48# J-55	415'
9-5/8" 36 # K-55 LT&C	2,733'
Surface	
5 5" 17# P-110 LT&C (7,535')	
5.5" 17# P-110 BT (4,992')	12,570'
Bottom	

After

STAGES

Stage 1: 12,166' (10), 12,317' (14), 12,468' (12)
 Stage 2: 11,713' (10), 11,864' (14), 12,015' (12)
 Stage 3: 11,260' (10), 11,411' (14), 11,562' (12)
 Stage 4: 10,807' (10), 10,958' (14), 11,109' (12)
 Stage 5: 10,354' (10), 10,505' (14), 10,656' (12)
 Stage 6: 9,901' (10), 10,052' (14), 10,203' (12)
 Stage 7: 9,448' (10), 9,599' (14), 9,750' (12)
 Stage 8: 8,995' (10), 9,146' (14), 9,297' (12)
 Stage 9: 8,542' (10), 8,693' (14), 8,844' (12)



5-1/2" @ 12,570
 1st Stage: 980 sx (Circ)
 2nd Stage: 990 sx

TD: 12,600'
 TVD: 8,260'

Not to Scale
 5/18/11
 JMH