

District I - (575) 334-1641
District II - (575) 748-1283
District III - (505) 334-6178
District IV - (505) 476-3460

NM OIL CONSERVATION

Jan 13 2015

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-015-38957
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VB-1749
7. Lease Name or Unit Agreement Name Qualifier BQX State
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Sand Tank; Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,546' GR

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 [X] 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 M : 660 feet from the South line and 330 feet from the West line
Unit Letter O : 500 feet from the South line and 1650 feet from the East line
Section 32 Township 17S Range 30E NMPM Eddy County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,546' GR

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 []
CLOSED-LOOP SYSTEM []
OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIATION WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P. AND A []
CASING/CEMENT JOB []
OTHER: 5' new hole [X]

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.

1/9/15 - Made 5' new hole. TD 25'. Hole size 20".

Note: 30" culvert with locking lid was set and cemented in place with 1.8 yards redi-mix.

Spud Date: 10/28/14

Rig Release Date:

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

SIGNATURE [Signature] TITLE Regulatory Reporting Technician DATE January 12, 2015

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

For State Use Only accepted for record NM OGD

APPROVED BY: [Signature] TITLE DATE 2/11/2015

Conditions of Approval (if any):

See Attached COA

Permit Conditions of Approval

API: 30-015-38957



OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string