

District I - (575) 393-6161
District II - (575) 748-1283
District III - (505) 334-6178
District IV - (505) 476-3460
Energy, Minerals and Natural Resources
ARTESIA DISTRICT
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-42754
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VO-5866
7. Lease Name or Unit Agreement Name Humidor BMO State Com
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Willow Lake; Bone Spring, West
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,219' 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 E : 2625 feet from the North line and 400 feet from the West line
Unit Letter D : 230 feet from the North line and 660 feet from the West line
Section 23 Township 24S Range 27E NMPM Eddy County
Section 14 Township 24S Range 27E NMPM Eddy County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,219' 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 COMPLETIONS []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL 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.

9/9/15 - Made 5' new hole. TD 90'. Hole size 20".

Note: 30" culvert with locking lid was set and cemented in place with 1.9 yards redi-mix on 11/14/14.

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: September 10, 2015

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

For State Use Only

APPROVED BY: [Signature] TITLE: DATE: 9/15/15

Conditions of Approval (if any): See Attached COA

30-015-42254
CONDITIONS of APPROVAL

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- 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