

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 July 18, 2013

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

| |
|-----------------------------------------------------------------------------------------------------|
| WELL API NO. 30-015-42754 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 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 |

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 | <u>E</u> | : | <u>2625</u> | feet from the | <u>North</u> | line and | <u>400</u> | feet from the | <u>West</u> | line |
| Unit Letter | <u>D</u> | : | <u>230</u> | feet from the | <u>North</u> | line and | <u>660</u> | feet from the | <u>West</u> | line |
| Section | <u>23</u> | | | Township | <u>24S</u> | Range | <u>27E</u> | NMPM | <u>Eddy</u> | County |
| Section | <u>14</u> | | | Township | <u>24S</u> | Range | <u>27E</u> | NMPM | <u>Eddy</u> | 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: | | 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"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: 5' new hole <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.

12/30/15 – Made 5' new hole. TD 120'. Hole size 20".

NM OIL CONSERVATION
 ARTESIA DISTRICT
 JAN 04 2016

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

RECEIVED

Spud Date: Rig Release Date:

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

SIGNATURE Laura Watts TITLE Regulatory Reporting Technician DATE December 31, 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 _____

Conditions of Approval (if any):

★ See Attached COA

30-015-42754
CONDITIONS of APPROVAL

- 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