

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

Form C-103
 Revised August 1, 2011

HOBBS OCD
 JUN 06 2012
 RECEIVED

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. 30-025-40374
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. VO-3524
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Berry APN State
4. Well Location Unit Letter <u>Lot 13</u> : <u>2957</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line Unit Letter <u>Lot 4</u> : <u>330</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>5</u> Township <u>21S</u> Range <u>34E</u> NMPM. Lea County		8. Well Number 2H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3723'GR		9. OGRID Number 025575
10. Pool name or Wildcat Berry; Bone Spring, North		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: 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"/>		SUBSEQUENT REPORT OF: 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"/>	
OTHER: <input type="checkbox"/>		OTHER: Production casing <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.

5/1/12 - Drilled to KOP 10,624' and continued to drill directionally.
 5/8/12 - Drilled to 11,002' and reduced hole to 8-1/2" and continued drilling.
 5/17/12 - Reached TD 8-1/2" hole to 15,226'.
 5/20/12 - Set 5-1/2" 17# P-110 LT&C casing at 15,226'. DV tool/stage tool at 8569'. Float collar at 15,134'. Cemented stage 1 with 620 sx 35:65 Poz "H" + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 28#/sx D132 + 0.45% D201 + 0.1% D208 + 61#/sx D909 + 5% D020 (yld 2.05, wt 12.6). Tailed in with 820 sx TXI + 0.2% D046 + 75#/sx D049 + 0.5% D112 + 30% D151 + 1.5% D174 + 0.1% D208 + 0.9% D800 (yld 1.82, wt 13). Circulated 340 sx cement off top of DV tool. Cemented stage 2 with 430 sx 35:65 Poz "H" + 5% D020 + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 28#/sx D132 + 0.3% D201 + 0.1% D208 + 61#/sx D909 (yld 2.05, wt 12.6). Tailed in with 200 sx 50/50 Poz + 2% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.5% D065 + 0.125#/sx D130 + 39#/sx D132 + 2% D174 + 0.45% D207 + 0.1% D800 + 47#/sx D909 (yld 1.36, wt 14.4).

Spud Date: 3/26/12

Rig Release Date: 5/21/12

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 June 5, 2012

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

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUN 07 2012
 Conditions of Approval (if any): JUN 07 2012