

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

HOBBS OGD

Energy, Minerals and Natural Resources

Revised July 18, 2013

MAY 07 2014

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

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.) 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-025-41745
2. Name of Operator Yates Petroleum Corporation		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		6. State Oil & Gas Lease No. VB-1637
4. Well Location Unit Letter <u>D</u> : <u>200</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Unit Letter <u>M</u> : <u>330</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line Section <u>27</u> Township <u>21S</u> Range <u>35E</u> NMPM Lea County		7. Lease Name or Unit Agreement Name Toucan BUY State /
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,585' GR		8. Well Number 1H
		9. OGRID Number 025575
		10. Pool name or Wildcat San Simon; Bone Spring, Northeast

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:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 OTHER 5' new hole ☒

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.

5/2/14 - Made 7' new hole. TD 15'. Hole size 20". Notified Maxey Brown with NMOCD-Hobbs of operations via e-mail.

Note: Set 30" culvert with locking device at 10' on 5/2/14.

Spud Date: 3/27/14

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 May 6, 2014

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

For State Use Only

Accepted for Record Only

APPROVED BY: MJB TITLE 5/7/2014 DATE

Conditions of Approval (if any):

MAY 08 2014