

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. 30-015-41604
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Lola BUG
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Artesia; Glorieta-Yeso

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

Surf-Unit Letter	L	:	2040	feet from the	South	line and	230	feet from the	West	line
BHL-Unit Letter	L	:	2240	feet from the	South	line and	330	feet from the	West	line
Surf - Section	21	Township	18S	Range	26E	NMPM	Eddy	County		
BHL - Section	20	Township	18S	Range	26E	NMPM	Eddy	County		

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3414' GR

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"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <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: 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.

12/14/13 - Drilled to 2020' KOP and continued drilling directionally.
 12/16/13 - Drilled to 3019' and reduced hole to 8-1/2" and continued drilling.
 12/21/13 - Reached TD 8-1/2" hole to 7464'.
 12/22/13 - Set 5-1/2" 17# L-80 Buttress casing at 7464'. Float collar at 7417'. Cemented with 415 sx TXI Liteweight + 2#/sx B288 + 2#/sx B289 + 0.25% D013 + 3% D020 + 5% D042 + 5% D044 + 0.2% D046 + 0.4% D065 + 0.13% D130 + 75#/sx D049 (yld 2.07, wt 12). Tailed in with 810 sx TXI Liteweight + 0.2% D046 + 75#/sx D049 + 0.5% D112 + 30% D151 + 1.5% D174 + 0.1% D208 (yld 1.82, wt 13). Got 77 bbls to surface.

Spud Date: 11/26/13 Rig Release Date: 12/23/13

RECEIVED
 JAN 23 2014
 NM OGD ARTESIA

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: January 21, 2014

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

For State Use Only

APPROVED BY: *J. Dade* TITLE: *Asst. Supervisor* DATE: 1/31/14

Conditions of Approval (if any):