

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. 30-015-39749 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. V-3459 |
| 7. Lease Name or Unit Agreement Name Southland Royalty APM State |
| 8. Well Number 2H |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat Pierce Crossing; Bone Spring, East |

| | |
|--|--|
| 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"/> | |
| 2. Name of Operator Yates Petroleum Corporation | |
| 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 | |
| 4. Well Location Unit Letter P : 200 feet from the South line and 510 feet from the East line Unit Letter A : 330 feet from the North line and 660 feet from the East line Section 24 Township 19S Range 29E NMPM Eddy County | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,356' 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"/> | REMEDIAL WORK <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | OTHER: Spud <input checked="" type="checkbox"/> |
| OTHER: <input type="checkbox"/> | |

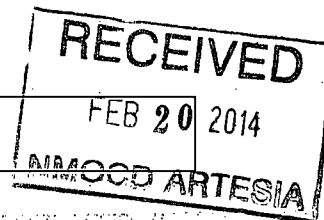
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

2/11/14 - Spudded well with rathole service at 7:30 am. Hole size 30". TD 150' Notified Randy Dade with NMOCD-Artesia of operations via email.

Spud Date:

2/11/14

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 February 19, 2014

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

For State Use Only

APPROVED BY: Accepted for record TITLE WDS DATE 3/6/14

Conditions of Approval (if any):