

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

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

WELL API NO. 30-015-41969
5. Indicate Type of Lease STATE [] FEE [X]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Thomas AJJ
8. Well Number 7H
9. OGRID Number 025575
10. Pool name or Wildcat Penasco Draw; SA-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 [X] 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 I : 1500 feet from the South line and 150 feet from the East line
Unit Letter L : 1700 feet from the South line and 330 feet from the West line
Section 8 Township 19S Range 25E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,455 GR

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: Production casing [X]

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.

2/25/14 - Drilled to 1,780' KOP and resumed drilling directional.
3/3/14 - Reached TD 7-7/8" hole to 6,893'.
3/4/14 - Set 5-1/2" 17# L-80 Buttress casing at 6,893'. Float collar at 6,845'. Cemented with 320 sacks Class "C" + 0.2% D013 + 3% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.125#/sx D130 + 0.02% D208 (yld 1.97, wt 12). Tailed in with 580 sacks Class "C" + 0.2% D046 + 0.5% D112 + 30% D151 + 1.5% D174 + 0.12% D208 (yld 1.82, wt 13). Circulated 114 sacks to surface.

Spud Date: 2/17/14

Rig Release Date: 3/5/14

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: March 10, 2014

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

For State Use Only

APPROVED BY: [Signature] TITLE: D.S. [Signature] DATE: 3/14/14
Conditions of Approval (if any):

