

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:

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 ☒

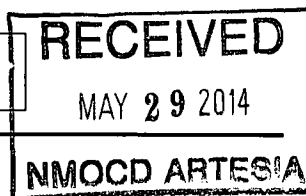
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

5/12/14 - Drilled to 7,500' KOP and resumed drilling directional.
5/13/14 - Drilled to 8,659' reduced hole from 8-3/4" to 8-1/2" and resumed drilling.
5/19/14 - Reached TD 8-1/2" hole to 12,775'. Notified Randy Dade with NMOCD-Artesia of intent to set casing and cement.
5/20/14 - Set 5-1/2" 17# P-110 BT&C casing at 12,770'. Diversion tool/stage tool at 7,503'. Float collar at 12,722'. Cemented stage 1 with 1230 PVLite + 2% D020 + 3#/sx D042 + 0.2% D046 + 75#/sx D049 + 0.3% D065 + 0.125#/sx D130 + 0.4% D167 + 2% D174 + 0.3% D201 (yld 1.41, wt 13.2). Circulated cement to the surface. Cemented stage 2 with 670 sacks 35:65:6 Poz "C" + 3% D020 + 29#/sx D035 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.125#/sx D130 + 0.1% D201 + 0.03% D208 + 61#/sx D903 (yld 2.00, wt 12.6).

CONTINUED ON NEXT PAGE:

Spud Date: 2/11/14

Rig Release Date: 5/23/14



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 May 28, 2014

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

For State Use Only

APPROVED BY: R Dade TITLE Dist H Sperm DATE 6/6/14
Conditions of Approval (if any):

Form C-103 continued:

Tailed in with 100 sacks 50/50 Poz "C" + 0.1% D013 + 0.2% D046 + 75#/sx D049 + 0.1% D065 + 0.4% D167 + 2% D174 + 0.03% D208 (yld 1.36, wt 13.2). Circulated 84 sacks to the surface. Cemented stage 3 with 410 sacks 35:65:6 Poz "C" + 2.5% D020 + 29#/sx D035 + 5% D044 + 0.2% D046 + 0.125#/sx D130 + 61#/sx D903 (yld 1.99, wt 12.6). Tailed in with 100 sacks 50/50 Poz + 42#/sx D035 + 5% D044 + 0.2% D046 + 0.2% D065 + 47#/sx D903 (yld 1.35, wt 14.2). Circulated 34 sacks to the surface.


Regulatory Reporting Technician
May 28, 2014