

NM OIL CONSERVATION

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103

Revised July 18, 2013

SEP 26 2014

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-015-39749

5. Indicate Type of Lease

STATE ☒ FEE ☐

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

Turkey Track; Bone Spring

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

Unit Letter P : 200 feet from the South line and 510 feet from the East lineUnit Letter A : 230 feet from the North line and 656 feet from the East lineSection 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: Completion operations ☒

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.

6/9/14 – NU BOP. Tagged DV tool at 7,490' and drilled out. Tested casing to 3000 psi for 20 mins, held good.

6/10/14 – Tagged at 12,715' and circulated hole clean with 300 bbls 3% KCL with CRW-132. Ran scraper across stage tools at 3,101' and 7,503'.

6/11/14 – Ran CBL log from 8,540' to surface. Pumped 30 bbls 3% KCL with CRW-132.

8/26-30/14 – Perforated Bone Spring 8,527' – 12,655' (396 holes). Acidized with 91,000 gallons 7-1/2% HCL acid, frac with a total of 4,031,223# 16/30 RCS and 20/40 White Sand. 2-7/8" 6.50# L-80 tubing at 7,408'.

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 September 25, 2014Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272**For State Use Only**APPROVED BY: [Signature] TITLE Dist. Rep. Supervisor DATE 9-26-14

Conditions of Approval (if any):