

District I - (575) 393-1100 NM OIL CONSERVATION

Minerals and Natural Resources

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

RECEIVED

FEB 20 2015

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-38957

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VB-1749

7. Lease Name or Unit Agreement Name
Qualifier BQX State

8. Well Number

1H

9. OGRID Number

025575

10. Pool name or Wildcat

Sand Tank; 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 M : 660 feet from the South line and 330 feet from the West line

Unit Letter O : 500 feet from the South line and 1650 feet from the East line

Section 32 Township 17S Range 30E NMPM Eddy County

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

3,546' 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: 5' new hole ☒

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.

2/16/15 - Made 5' new hole. TD 35'. Hole size 20".

Note: 30" culvert with locking lid was set and cemented in place with 1.8 yards redi-mix on 11/14/14.

Spud Date:

10/28/14

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 18, 2015Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272For State Use Only Accepted for record

NMOC

APPROVED BY: _____ TITLE _____

DATE 2/24/15

Conditions of Approval (if any):

* See Attached COAs

Permit Conditions of Approval

API: 30-015- 38957

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string