

District I - (575) 393-6161

1625 N. French Dr., Hobbs, NM 88249

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

NM OIL CONSERVATION

ARTESIA DISTRICT

OIL CONSERVATION DIVISION

JUL 10 2015

South St. Francis Dr. Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-015-42755

5. Indicate Type of Lease STATE [X] FEE []

6. State Oil & Gas Lease No. VA-1835

7. Lease Name or Unit Agreement Name Humidor BML State Com

8. Well Number 5H

9. OGRID Number 025575

10. Pool name or Wildcat Willow Lake; Bone Spring, West

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 : 2365 feet from the South line and 575 feet from the East line Unit Letter P. 331 feet from the South line and 415 feet from the East line Section 23 Township 24S Range 27E NMPM Eddy County Section 26 Township 24S Range 27E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,171' 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 [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.

3/16/15 - Applied 1500 psi to casing and ran CBL from 9,350' to the surface.

4/13/15 - Tagged float collar at 16,168'. Circulated hole clean.

4/15/15 - Circulated hole with 3% KCL with CRW-132 chemical while spotting 1000 gallons 10% acetic across float shoe.

5/6/15 - Ran bottom hole static pressure.

5/26/15 - Ran bottom hole static pressure.

6/10-6/16 - Acidized frac sleeves 9,452' to 16,115' with 67,000 gallons 15% HCL acid, frac with 10,227,021# sand and 9,008,758 gallons fluid.

Spud Date:

10/28/14

Rig Release Date:

2/28/15

NM OIL CONSERVATION

ARTESIA DISTRICT

JUL 10 2015

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

RECEIVED

SIGNATURE James Watts TITLE Regulatory Reporting Technician DATE July 8, 2015

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

For State Use Only

APPROVED BY: [Signature] TITLE DIST # Supervisor DATE 7/14/15

Conditions of Approval (if any):