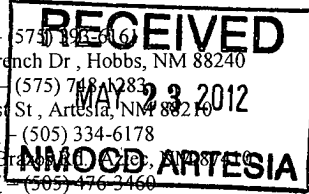


State of New Mexico
Energy, Minerals and Natural ResourcesOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

Revised August 1, 2011



WELL API NO. 30-015-38170
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0839
7. Lease Name or Unit Agreement Name Quail BQL State Com
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Wildcat; 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 Corporation3. Address of Operator
105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter	O	:	330	feet from the	South	line and	1650	feet from the	East	line
Unit Letter	B	:	330	feet from the	North	line and	1650	feet from the	East	line
Section	2			Township	26S	Range	30E	NMPM	Eddy	County

11. Elevation (Show whether DR, RKB, RT, GR, etc)
3220'GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
CASING/CEMENT JOB <input type="checkbox"/>	

OTHER: Surface and intermediate 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.

5/10/12 - Resumed drilling at 1:15 AM.

5/11/12 - TD 17-1/2" hole to 1253'. Set 13-3/8" 48# J-55 ST&C casing at 1250'. Cemented with 700 sx Class "C" + 4% D020 + 3#/sx D042 + 0.2% D046 + 0.125#/sx D130 + 0.02g/sx D177 + 2% S001 (yld 1.99, wt 12.9). Tailed in with 350 sx Class "C" + 3#/sx D042 + 0.2% D046 + 0.125#/sx D130 + 0.5% S001 (yld 1.35, wt 14.8). Circulated 295 sx to half round. Tested casing to 600 psi for 30 min, good. WOC 29 hrs 30 min. Reduced hole to 12-1/4" and resumed drilling.

5/14/12 - TD 12-1/4" hole to 3883'.

5/15/12 - Set 9-5/8" 36#, 40# K-55 J-55 LT&C casing at 3870'. Cemented with 820 sx 35:65 Poz "C" + 6% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.3% D112 + 0.125#/sx D130 + 0.2% D201 (yld 2.09, wt 12.6). Tailed in with 350 sx 50:50 Poz "C" + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.125#/sx D130 (yld 1.36, wt 14.2). Circulated 240 sx to pit. Tested casing to 1500 psi for 30 min, good. WOC 18 hrs. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

1/31/11

Rig Release Date:

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

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE May 17, 2012Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: Dr. J. P. Spawser TITLE Dr. J. P. Spawser DATE 05/24/12

Conditions of Approval (if any):