

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr , Hobbs, NM 88240
 District II
 1301 W Grand Ave , Artesia, NM 88210
 District III
 1000 Rio Brazos Rd , Aztec, NM 87410
 District IV
 1220 S St Francis Dr , Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-38550
5 Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-4949
7 Lease Name or Unit Agreement Name Grande Mike AZK State
8. Well Number 3H
9. OGRID Number 025575
10. Pool name or Wildcat County Line Tank; Abo (Oil)

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
 Surface Lot 12 : 3310 feet from the North line and 200 feet from the West line
 BHL Lot 9 : 3550 feet from the North line and 330 feet from the East line
 Section 2 Township 16S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc)
3723'GR

RECEIVED
 AUG 10 2012
 NMOCD ARTESIA

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"/>		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: <input type="checkbox"/>		OTHER Production casing <input checked="" type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7/10/12 – Drilled to 6500' KOP. Continued to drill directionally.
 7/14/12 – Drilled to 7717' and reduced hole to 8-1/2" and continued to drill directionally.
 7/23/12 – Reached TD 8-1/2" hole to 11,740'.
 7/25/12 – Set 5-1/2" 17# HCP-110 LT&C buttress casing at 11,697'. DV tool/stage tool at 3963'. Hydraulic DV tool at 7310' Openhole packers at 7320', 7514', 7708', 7901', 8139', 8333', 8526', 8720', 8947', 9123', 9346', 9529', 9786', 10,010', 10,269', 10,537', 10,755', 11,020', 11,286', 11,551' and 11,601'. Frac sleeves at 7416', 7609', 7803', 7997', 8235', 8428', 8622', 8852', 9035', 9254', 9435', 9655', 9917', 10,135', 10,401', 10,667', 10,887', 11,152', 11,419' and 11,649'. Pump out plug at 11,695'. Cemented stage 1 with 510 sx Class "C" + 0.6% FL25 + 0.6% FL52 + 3#/sx LCM-1 + 0.15% R-21 + 0.2% Sodium Metasilicate + 4% Sodium Chloride (yld 1.63, wt 13.2). Tailed in with 200 sx Class "H" + 2% Bentonite + 0.75% FL52 + 0.3% Sodium Metasilicate + 0.25% R3 (yld 1 26, wt 14.2). Displaced with 80 bbls 3% KCL with Cortron R-2264 followed by 90 bbls FW. Opened DV tool with 550 psi. Did not circulate any cement off 1st stage. Pumped 80 bbls 3% KCL ahead Cortron R-2264 ahead with 10 bbls mud spacer. Cemented stage 2 with 125 sx Class "H" + 10% Bentonite + 0.5% FL25 + 0.15% R-21 (yld 2.51, wt 11.5). Tailed in with 150 sx Class "C" + 0 6% FL25 + 0.6% FL52 + 3#/sx LCM-1 + 0.15% R-21 + 0 2% Sodium Metasilicate + 4% Sodium Chloride (yld 1.63, wt 13.2)

Spud Date. 6/20/12 Rig Release Date: 7/27/12

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 August 7, 2012
 Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only
 APPROVED BY: [Signature] TITLE Dist. R. Supervisor DATE 8/09/12
 Conditions of Approval (if any):