

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 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

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

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

WELL API NO. 30-015-41583
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Sears BSR
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Atoka; Glorieta-Yeso

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	<u>D</u>	:	<u>300</u>	feet from the	<u>North</u>	line and	<u>220</u>	feet from the	<u>West</u>	line
Unit Letter	<u>M</u>	:	<u>960</u>	feet from the	<u>South</u>	line and	<u>330</u>	feet from the	<u>West</u>	line
Section	<u>21</u>	Township	<u>18S</u>	Range	<u>26E</u>	NMPM	<u>Eddy</u>	County		
Section	<u>17</u>	Township	<u>18S</u>	Range	<u>26E</u>	NMPM	<u>Eddy</u>	County		

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,388' GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Surface, Intermediate, 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

11/15/13 - Resumed drilling with rotary tools at 2:00 am. Add redi-mix cement in conductor pipe to fill void at surface. Cut out window in casing and poured cement down conductor. Wait for cement to cure. TIH to drill out cement. Tagged cement at 64' in. Drilled out cement from 64'-210'.

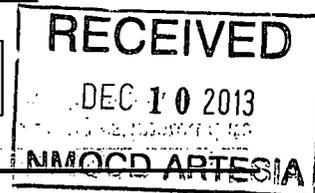
11/16/13 - TD 17-1/2" hole to 295'. Set 13-3/8" 48# J-55 ST&C casing at 295'. Pumped 335 sks of Class "C" + 2#/sx B288 + 2#/sx B289 + 0.13#/sx D130 + 94#/sx D903 + 0.2% D46 + 5#/sx D42 (yld 1.41, wt 14.8). No cement to surface. WOC. Notified NMOCD-said to go in with 1" and tag/circulate cement.

11/17/13 - Pumped 86 sks Class "C" at 14.8 ppg at 1 BPM. Pumped until cement comes to surface. Took 60 sks to get cement to surface. Circulated 26 sks out. WOC. NU BOP. Tested casing to 600 psi. WOC 18 hours. Reduced hole to 12-1/4" and resumed drilling.

CONTINUED ON NEXT PAGE:

Spud Date: 11/6/13

Rig Release Date: 12/5/13



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 December 9, 2013

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

APPROVED BY: RL Dade TITLE Dist # Supervisor DATE 12/10/13

Conditions of Approval (if any):

Form C-103 continued:

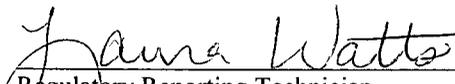
11/18/13 – TD 12-1/4” hole to 990’. Set 9-5/8” 36# J-55 LT&C casing at 990’. Pumped 319 sks Class “C” + 2.0#/sk B288 + 2.0#/sk B289 + 5.0% D020 + 5.0#/sk D042 + 5.0% D044 + 0.2% D046 + 0.3% D112 + 0.125#/sk D130 (yld 2.23, wt 12.80). Tailed in with 167 sks Class “C” + 2.0#/sk B288 + 5.0#/sk D042 + 0.2% D046 + 0.13% D130 + 2.0#/sk D903 (yld 1.41, wt 14.80). Circulated 75 sacks to pit. WOC.

11/19/13 – Test casing to 1200 psi, held ok. WOC 18 hours, 30 mins. Reduced hole to 8-3/4” and resumed drilling.

11/20/13 – Drilled to 1,953’ KOP and continued drilling directional. Ran gamma logs from 1,450’-1,953’.

11/24/13 – TIH with 8-1/2” bit. TD 8-1/2” hole to 7,820’.

12/3/13 – Circulate casing. Set 5-1/2” 17# L-80 BTC casing at 7,820’. DV/stage tool set at 947’. Float collar set at 7,772’. Cemented stage 1 with 160 sacks TXI Lite + 2.0#/sk B288 + 2.0#/sk B289 + 0.3% D013 + 3.0% D020 + 5.0% D044 + 0.2% D046 + 0.1% D065 + 0.125#/sk D130 + 5.0#/sk D042 (yld 2.07, wt 12.00). Tailed in with 1025 sacks TXI + 0.2% D046 + 9.32 gal/sk D049 + 0.5% D112 + 30.0% D151 + 1.5% D174 + 0.1% D208 (yld 1.82, wt 13.00). Got 55 bbls cement back. Circulated DV tool. Cemented stage 2 with 140 sacks TXI + 2.0#/sk B288 + 2.0#/sk B289 + 0.3% D013 + 3.0% D020 + 5.0#/sk D042 + 5.0% D044 + 0.2% D046 + 11.358 gal/sk D049 + 0.1% D065 + 0.13#/sk D130 (yld 2.07, wt 12.00). Tailed in with 100 sacks Class “C” + 2.0#/sk B288 + 2.0#/sk B289 + 3.0#/sk D042 + 0.2% D046 + 0.13 #/sk D130 + 94#/sk D903 (yld 1.40, wt 14.80). Got 60 bbls cement back to surface. ND BOP.



Regulatory Reporting Technician
December 9, 2013