| Submit 1 Copy To Appropriate District Office District 1 – (575) 393-6161 | State of New Mexico Energy, Minerals and Natural Resource | Form C-103 Revised July 18, 2013 | |
|---|--|--|--|
| 1625 N. French Dr., Hobbs, NM 88240 District II – (575) 748-1283 | OIL CONSERVATION DIVISION | WELL API NO. | |
| 811 S. First St., Artesia, NM 88210 <u>District III</u> – (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410 | 1220 South St. Francis Dr. | 5. Indicate Type of Lease STATE STATE FEE | |
| District IV – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505 | Santa Fe, NM 87505 | 6. State Oil & Gas Lease No. VB-0669 | |
| (DO NOT USE THIS FORM FOR PROPOSA | ES AND REPORTS ON WELLS ALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A | Lease Name or Unit Agreement Name Herradura Unit | |
| PROPOSALS.) | ation for PERMIT" (FORM C-101) FOR SUCH | 8. Well Number 4H | |
| 2. Name of Operator Yates Petroleum Corporation | | 9. OGRID Number 025575 | |
| Address of Operator South Fourth Street, Artesia, NN | 1 88210 | 10. Pool name or Wildcat Wildcat; Bone Spring | |
| 4. Well Location Surface Lot 2 : 5 | 10 feet from the North line and | 1910 feet from the East line | |
| | 10feet from theNorthline and60feet from theSouthline and | 1910feet from theEastline1910feet from theEastline | |
| Section 4 | Township 24S Range 25E | E NMPM Eddy County | |
| | 11. Elevation (Show whether DR, RKB, RT, GR 3735'GR | R, etc.) | |
| 12. Check Ap | opropriate Box to Indicate Nature of Not | tice, Report or Other Data | |

| NOTICE OF INTENTION TO: | | SUBSEQUENT RE | EPORT OF: | |
|------------------------------|--------------------------|-----------------|--|-------------------------------|
| PERFORM REMEDIAL WORK [| PLUG AND ABAND | ON 🗍 | REMEDIAL WORK | ALTERING CASING |
| TEMPORARILY ABANDON [| CHANGE PLANS | | COMMENCE DRILLING OPNS. | P AND A |
| PULL OR ALTER CASING [| MULTIPLE COMPL | . 🗌 | CASING/CEMENT JOB | |
| DOWNHOLE COMMINGLE |] | | | |
| CLOSED-LOOP SYSTEM [| | | | |
| OTHER: | | | OTHER: 5' new hole | \square |
| 13. Describe proposed or con | npleted operations. (Cle | early state all | pertinent details, and give pertinent da | tes, including estimated date |

 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.

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2/16/14 - Made 5' new hole. TD 155'. Hole size 12". Notified Randy Dade NMOCD-Artesia of operations via email

| | | | FEB 1 9 2014 |
|---------------------------|---------------------------------------|---|--------------------|
| Spud Date: | 8/3/12 | Rig Release Date: | NMDCD ARTES A |
| | fy that the information above is true | and complete to the best of my knowledge and beling TITLE | |
| Type or print | | E-mail address: <u>laura@yatespetroleum.com</u> | PHONE:575-748-4272 |
| APPROVED Conditions of | BY: Approval (if any): | TITLE | DATE 3/14/2014 |
| > See | Attached COA3 | | |

C101Conditions

Page 1 of 1

Permit Conditions of Approval

API: 30-015 - 40537

| 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 |