

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

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

WELL API NO. 30-015-39302
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VB-1066
7. Lease Name or Unit Agreement Name Bullion BRL State
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 [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 Lot 1 :: 660 feet from the South line and 330 feet from the East line
Unit Letter Lot 4 : 660 feet from the South line and 330 feet from the West line
Section 32 Township 26S Range 30E NMPM Eddy County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2937'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:

- REMEDIATION WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P. AND A. []
CASING/CEMENT JOB []
OTHER: 5' new hole [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.

2/8/15 - Made 5' new hole. TD 315'. Hole size 10".

NM OIL CONSERVATION
ARTESIA DISTRICT
FEB 12 2015
RECEIVED

Spud Date: 11/30/11

Rig Release Date:

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

SIGNATURE [Signature] TITLE Regulatory Reporting Technician DATE February 10, 2015

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

For State Use Only

Accepted for record

APPROVED BY: [Signature] TITLE DATE 2/13/15

Conditions of Approval (if any):

* See Attached COA's

Permit Conditions of Approval

API: 30-015-39302



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.