

Submit 1 Copy 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
October 13, 2009

HOBBS OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
OCT 24 2011

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| 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) | | WELL API NO. 30-025-40303 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Yates Petroleum Corporation | | 6. State Oil & Gas Lease No. VB-1023/VB-1033 |
| 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 | | 7. Lease Name or Unit Agreement Name Naguss BRN State Com |
| 4. Well Location Unit Letter M : 660 feet from the South line and 330 feet from the West line Unit Letter P : 660 feet from the South line and 330 feet from the East line Section 30 Township 21S Range 34E NMPM Lea County | | 8. Well Number 1H |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3672' GR | | 9. OGRID Number 025575 |
| | | 10. Pool name or Wildcat Wildcat, Bone Spring |

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 ☐

OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: 5' new hole ☒

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.

10/18/11 - Made 5' new hole at 1:30 PM. TD 15'. Hole size 12-1/4". Note: will install conductor when cellar is completed. Notified E.L. Gonzales Hobbs-NMOCD of operations via email.

Spud Date:

9/29/11

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 Compliance Supervisor DATE October 19, 2011

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

For State Use Only

APPROVED BY: E. Gonzales TITLE State Engineer DATE 10-25-2011

Conditions of Approval (if any):

OCT 25 2011