

District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88241  
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

HOBBS OGD  
JAN 24 2012  
RECEIVED

Energy, Minerals and Natural Resources  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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)</p>		<p>WELL API NO. 30-005-29177</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil &amp; Gas Lease No. VB-873</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Lee BRC</p>
<p>4. Well Location Unit Letter <u>N</u> : <u>990</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>35</u> Township <u>11S</u> Range <u>31E</u> NMPM <u>Chaves</u> County</p>		<p>8. Well Number 1</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4449' GR</p>		<p>9. OGRID Number 025575</p>
<p>10. Pool name or Wildcat Wildcat; Mississippian</p>		

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

<p><b>NOTICE OF INTENTION TO:</b></p> <p>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"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>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"/></p>
<p>OTHER: <input type="checkbox"/></p>	<p>OTHER: Spud <input checked="" type="checkbox"/></p>

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.

1/16/12 - Spudded well. 11:15 AM. Set 40' of 20" conductor and cemented with 6 sx redi-mix to surface.

Spud Date: 1/16/12 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 January 20, 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 Regulatory Compliance Supervisor DATE JAN 25 2012

Conditions of Approval (if any):

JAN 25 2012