

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 August 1, 2011

HOBBS OGD
JAN 25 2012
RECEIVED

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

WELL API NO. 30-025-40303
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1023/VB-1033
7. Lease Name or Unit Agreement Name Naguss BRN State Com
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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210	
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	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3672'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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

1/18/12 - Made 5' new hole at 10:45 AM. TD 40'. Hole size 12-1/4". Notified E.L. Gonzales NMOCD-Hobbs of operations via email.

NOTE: Conductor with locking cap was set 11/4/11. Based on surface waters map the estimated top of fresh water is 56'. At present, water has not been recorded in this wellbore.

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 January 24, 2012

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

For State Use Only

APPROVED BY: Maley Brown TITLE Compliance Officer DATE 1/25/2012
Conditions of Approval (if any):

JAN 26 2012