

Office

Revised August 1, 2011

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.
30-005-29177

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

VB-873

7. Lease Name or Unit Agreement Name
Lee BRC

8. Well Number

1

9. OGRID Number

025575

10. Pool name or Wildcat

Wildcat; Mississippian

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 ☐ 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 N : 990 feet from the South line and 1980 feet from the West lineSection 35 Township 11S Range 31E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4449'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 ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: Production casing ☒

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.

2/17/12 - Reached TD 7-7/8" hole to 11,109' at 4:00 PM.

2/19/12 - Set 5-1/2" 17# L-80 HCP-110 ST&C casing at 11,109'. DV tool/stage tool at 7831'. Float collar at 11,022'. Cemented stage 1 with 500 sx Class "C" + 0.6% FL25 + 0.6% FL52A + 3#/sx LCM + 0.15% R-21 + 4% salt + 0.2% SMS (yld 1.63, wt 13.2). Circulated 50 sx to pit. Cemented stage 2 with 400 sx 50/50 Poz + 0.05% FL25 + 10% gel + 0.15% R-21 (yld 2.51, wt 11.5). Tailed in with 300 sx 15:61:11 "C" + 0.6% FL25 + 0.6% FL52A + 3#/sx LCM + 0.15% R-21 + 4% salt + 0.2% SMS (yld 1.62, wt 13.2).

Spud Date:

1/16/12

Rig Release Date:

2/21/12

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 February 29, 2012Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAR 05 2012

Conditions of Approval (if any):

MAR 05 2012