

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 87400
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

APR 20 2012

WELL API NO. 30-025-40374
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-3524
7. Lease Name or Unit Agreement Name Berry APN State
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Berry; Bone Spring, North

<p>SUNDRY RECEIPTS 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.)</p>	
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	Lot 13 : 2957 feet from the South line and 660 feet from the West line
Unit Letter	Lot 4 : 330 feet from the North line and 660 feet from the West line
Section	5 Township 21S Range 34E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3723'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: Surface 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.

4/8/12 - TD 17-1/2" hole to 546'. Set 13-3/8" 48# J-55 ST&C casing at 546'. Pumped 40 bbls fresh water with DYI at 6.5 BPM. Cemented with 600 sx Class "C" + 74#/sx D130 + 0.2% D46 + 3% D42 (yld 1.34, wt 14.8). Tailed in with 445 sx Class "C" (yld 1.34, wt 14.8) at 6.5 BPM. Displaced with 79 bbls at 6.5 BPM. Circulated 50 sx to surface. Tested casing to 600 psi, Ok. Reduced hole to 12-1/4" and resumed drilling.

Spud Date:

3/26/12

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 Reporting Supervisor DATE April 19, 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 SMH mgr DATE 4-24-2012

Conditions of Approval (if any):

APR 24 2012