

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-025-40513
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1193
7. Lease Name or Unit Agreement Name Adder BSE State
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 B : 175 feet from the North line and 2200 feet from the East line Unit Letter O : 330 feet from the South line and 2200 feet from the East line Section 31 Township 24S Range 33E NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3547'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: 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.

8/18/12 - TD pilot hole to 11,350' at 4:15 AM.

8/19/12 - Set cement plug from 11,350'-11,150' with 60 sx Class "C" cement.

8/20/12 - Set cement plug with 430 sx Class "H" cement from 10,260'-9320'. Dropped ball. Shear free of whipstock. Whipstock kick off point set at 9415'.

8/21/12 - WOC. Tagged cement at 9032'. Drilled cement to 9359'.

8/23/12 - Drilled cement and orientate thru whipstock. Drilled to 9443' and continued to drill directionally.

8/26/12 - Drilled to 10,266' and reduced hole to 8-1/2" and resumed drilling.

9/2/12 - Reached TD 8-1/2" hole to 14,300' at 3:30 AM.

9/4/12 - Set 5-1/2" 20# L-80 LT&C, BT&C casing at 14,300'. DV tool/stage tool at 7340'. Float collar at 14,206'. Cemented stage 1 with 1300 sx PVL + 0.5% D112 + 1.5% D174 + 0.1% D208 + 0.7% D800 + 0.2% D46 (yld 1.82, wt 13). Circulated 215 sx to 1/2 round. Cemented stage 2 with 530 sx 35:65:6 Poz "C" + 0.125% D130 + 6% D20 + 0.05% D208 + 5% D44 + 0.2% D46 + 0.2% D13 + 0.2% D65 (yld 2.08, wt 12.6). Tailed in with 180 sx 50/50 Poz "C" + 0.125% D130 + 5% D44 + 0.2% D46 + 5% D42 + 0.1% D201 + 0.1% D65 (yld 1.36, wt 14.2). Circulated 215 sx to pit.

Spud Date:

6/28/12

Rig Release Date:

9/6/12

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tina Huerta TITLE Regulatory Reporting Supervisor DATE September 13, 2012

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

For State Use Only

APPROVED BY: Tina Huerta TITLE Petroleum Engineer DATE SEP 17 2012

Conditions of Approval (if any).

SEP 17 2012