

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

HOBBS OCO

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

OCT 15 2012

<p>SUNDRECEIVED 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>		<p>WELL API NO. 30-025-40453</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil & Gas Lease No. VB-1178</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Calcutta BRZ State</p>
<p>4. Well Location Unit Letter <u>D</u> : <u>330</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Unit Letter <u>E</u> : <u>330</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>32</u> Township <u>24S</u> Range <u>32E</u> NMPM Lea County</p>		<p>8. Well Number 1H</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3491'GR</p>		<p>9. OGRID Number 025575</p>
<p>10. Pool name or Wildcat Wildcat; Bone Spring</p>		

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.

10/8/12 - Made 5' new hole at 9:30 AM. TD 40'. Hole size 12-1/4". Notified Elidio Gonzales NMOCD-Hobbs of operations via email.

Spud Date:

5/30/12

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 October 12, 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 Dist. Mgr. DATE 10-15-2012

Conditions of Approval (if any):

OCT 15 2012