

State of New Mexico
Energy, Minerals and Natural ResourcesForm C-103
Revised August 1, 2011OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-025-40891

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VB-1169

7. Lease Name or Unit Agreement Name
Hemlock BSH State

8. Well Number

2H

9. OGRID Number

025575

10. Pool name or Wildcat

Triple X; 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 ☒ 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 D : 220 feet from the North line and 580 feet from the West lineUnit Letter A : 330 feet from the South line and 660 feet from the West lineSection 32 Township 23S Range 33E NMPM Lea County

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

3671'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 and intermediate 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.

2/3/13 - Resumed drilling at 6:00 PM. Washing out around conductor and cellar. Drilled to 103' while jetting cellar. Cut hole in conductor pipe and redi mix to surface with 9.5 yds cement. WOC.

2/4/13 - Cut conductor 2' above ground level and tie off. Established rate of 2 BPM at 50 psi. Pumped 255 sx Class "C" Neat cement + 1% CaCl. Cement to surface after 10 bbls.

2/5/13 - TD 17-1/2" hole to 1265'.

2/6/13 - Set 13-3/8" 48# J-55 ST&C casing at 1265'. Cemented with 775 sx Class "C" + 4% PF020 Bentonite + 0.125#/sx PF029 Cellophane + 0.25#/sx PF046 + 2% PF001 CaCl (yld 1.94, wt 12.9). Tailed in with 200 sx Class "C" (yld 1.34, wt 14.8). Circulated 384 sx to pit. Tested casing to 1200 psi, good. WOC 38 hrs. Reduced hole to 12-1/4" and resumed drilling.

2/9/13 - TD 12-1/4" hole to 5210' at 8:00 PM.

2/10/13 - Set 9-5/8" 36#, 40# J-55 HCK-55 LT&C casing at 5210'. Cemented with 1500 sx 35:65:6 Poz "C" + 0.25#/sx PF46 + 0.2% PF13 + 6% PF20 + 0.125#/sx PF29 + 3#/sx PF42 + 5% PF44 (yld 1.91, wt 12.9). Tailed in with 200 sx Class "C" + 0.3% PF13 (yld 1.33, wt 14.8). Circulated 305 sx to pit. Tested casing to 1500 psi for 30 min, good. WOC 23 hrs 45 min. Reduced hole to 8-3/4" and resumed drilling.

Spud Date:

1/26/13

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 February 13, 2013Type or print name: Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

Petroleum Engineer

APPROVED BY: [Signature] TITLE [Signature] DATE FEB 18 2013

Conditions of Approval (if any):