

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

HOBBS OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
 MAR 07 2013

WELL API NO. 30-025-40891
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
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
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3671'GR

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 line
 Unit Letter A : 330 feet from the South line and 660 feet from the West line
 Section 32 Township 23S Range 33E NMPM Lea County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Production casing <input checked="" type="checkbox"/>	

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.

2/14/13 - Drilled to 10,673' KOP and continued to drill directionally.
 2/18/13 - Drilled to 11,387' and reduced hole to 8-1/2" and continued drilling.
 2/22/13 - Reached TD 8-1/2" hole to 15,693' at 6:00 PM.
 2/24/13 - Set 5-1/2" 17# P-110 BTC casing at 15,688'. DV/stage tool at 6959' and 10,490'. External casing packer at 6961'. Crossover at 10,492'. Float collar at 15,641'. Cemented stage 1 with 850 sx PVL + 0.55% PF13 + 30% PF151 + 0.2% PF153 + 5% PF174 + 0.25#/sx PF46 + 0.7% PF606 + 0.2% PF79 + 0.2% PF800 (yld 1.87, wt 13). Cemented stage 2 with 770 sx PVL + 0.55% PF13 + 0.1% PF153 + 5% PF174 + 1.3% PF44 + 0.25#/sx PF46 + 0.5% PF606 + 0.2% PF800 (yld 1.48, wt 13). Circulated 114 sx to pit. Cemented stage 3 with 250 sx 36:65:6 Poz "H" + 0.2% PF13 + 0.2% PF153 + 6% PF20 + 0.125#/sx PF29 + 3#/sx PF42 + 5% PF44 + 0.25#/sx PF46 (yld 2.06 wt 12.6). Tailed in with 150 sx PVL + 0.55% PF13 + 0.1% PF153 + 5% PF174 + 1.3% PF44 + 0.25#/sx PF46 + 0.5% PF606 + 0.2% PF800 (yld 1.48, wt 13).

Spud Date: 1/26/13 Rig Release Date: 2/26/13

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 March 5, 2013

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 MAR 19 2013

Conditions of Approval (if any):

MAR 19 2013