

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. 30-025-40891
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

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.) HOBBS OCD	
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 APR 15 2013	
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 RECEIVED	
4. Well Location Unit Letter <u>D</u> : <u>220</u> feet from the <u>North</u> line and <u>580</u> feet from the <u>West</u> line Unit Letter <u>M</u> : <u>331</u> feet from the <u>South</u> line and <u>670</u> feet from the <u>West</u> line Section <u>32</u> Township <u>23S</u> Range <u>33E</u> 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:		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: Completion Operations <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.

3/5/13 - Tagged cement at 6948'. Drilled DV tool at 6973'. Tested DV tool to 2500 psi, good.
3/6/13 - Tagged at 10,500'. Drilled DV tool at 10,500'. Circulated hole clean. Tested DV tool to 2500 psi, good.
3/7/13 - Tagged at 15,230'. Drilled down to 15,290'. Circulated bearings out of hole.
3/10/13 - Tagged lightly at 15,290'. Lightly tagged a 2nd time.
3/12/13 - Tagged cement at 15,293'. Drilled down to 15,639'. Circulated hole clean.
3/13/13 - Tested casing to 3400 psi for 30 min, good. Pickled and displaced casing with 500g Xylene and 1200g 15% HCL acid.
Displaced hole with 361 bbls 3% KCL with corrosion inhibitor with petrolite crew 132 chemical.
3/14/13 - Tagged DV tool at 6973'. Cleaned up DV tool. Tagged at 6980', fell out at 6985'. RIH to 2nd DV tool at 10,508' and cleaned up.
3/15/13 - Ran CBL/CCL from 11,314'-4500' with 500#.

CONTINUED ON NEXT PAGE:

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 April 15, 2013

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

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE MAY 07 2013
Conditions of Approval (if any):

MAY 20 2013 chen

Yates Petroleum Corporation
Hemlock BSH State #2H
Section 32-T23S-33E
Lea County, New Mexico
Page 2

HOBBS OCD

APR 15 2013

RECEIVED

Form C-103 continued:

3/17/13-4/4/13 - Perforated Bone Spring 11,510'-15,638'. Acidized with 61,000g 15% NEFE HCL acid. Frac with 3,331,647# 30/50 CRC sand.

4/8/13 - Circulated hole clean in vertical. Circulated hole clean down past 15,283'.



Regulatory Reporting Supervisor
April 15, 2013