

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

HOBBS OIL & GAS CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
 JUN 19 2013

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|---|
| WELL API NO. 30-025-40864 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VB-1859/L-5167 |
| 7. Lease Name or Unit Agreement Name Action BTI State Com. |
| 8. Well Number 1H |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat 2 nd Bone Springs Sand |

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 S. 4th Street, Artesia, NM 88210

4. Well Location
 Unit Letter D : 200 feet from the North line and 825 feet from the West line
 Section 16 Township 24S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3602.8'

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDON
 CASING/CEMENT JOB

OTHER:

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation respectfully requests permission to make the following wellbore and casing changes as follows:
 Drill an 8 3/4" hole to approx. 10,743' where well will be kicked off and directionally drilled at 12"/100' to 11,492' MD (11,220' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15,772' MD (11,230' TVD), where 5 1/2" casing will be run and cemented 500' into intermediate casing in two stages with a DV/stage packer tool at approx. 9600'.

Casing and cement as follows:
 5 1/2" 17# P-110 BT&C from 0' - 15,772'

Stage I: Cemented w/1085sx TOC=9600'
 Stage II: Cemented w/880sx TOC=4650'

Verbal approval given by Paul Kautz, Hobbs OCD on 6/14/2013 at 1pm

Thank-you,

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Jeremiah Mullen TITLE Drilling Engineer DATE 6/14/13

Type or print name Jeremiah Mullen E-mail address: jmullen@yatespetroleum.com Telephone No. 575-748-4378

For State Use Only
 APPROVED BY: [Signature] TITLE Petroleum Engineer DATE JUN 25 2013
 Conditions of Approval (if any):