

5/6 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  
**HOBBS OCD**  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
**JUL 09 2013**

Form C-103  
 Revised August 1, 2011

(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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-025-40864				
2. Name of Operator Yates Petroleum Corporation		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>				
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		6. State Oil & Gas Lease No. VB-1859/L-5167				
4. Well Location Unit Letter <u>D</u> : <u>200</u> feet from the <u>North</u> line and <u>825</u> feet from the <u>West</u> Line Unit Letter <u>M</u> : <u>330</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line Section <u>16</u> Township <u>24S</u> Range <u>33E</u> NMPM <u>Lea</u> County		7. Lease Name or Unit Agreement Name Action BTI State Com				
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3603'GR		8. Well Number 1H				
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data <table border="0"> <tr> <td> <b>NOTICE OF INTENTION TO:</b>            PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>            TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>            PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>            DOWNHOLE COMMINGLE <input type="checkbox"/> </td> <td> <b>SUBSEQUENT REPORT OF:</b>            REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>            COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/>            CASING/CEMENT JOB <input type="checkbox"/> </td> </tr> <tr> <td>OTHER: <input type="checkbox"/></td> <td>OTHER: Production casing <input checked="" type="checkbox"/></td> </tr> </table>		<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	OTHER: <input type="checkbox"/>	OTHER: Production casing <input checked="" type="checkbox"/>	9. OGRID Number 025575
<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>					
OTHER: <input type="checkbox"/>	OTHER: Production casing <input checked="" type="checkbox"/>					
10. Pool name or Wildcat Triple X; Bone Spring, West		10. Pool name or Wildcat Triple X; Bone Spring, West				

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

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

6/13/13 - Drilled to 10,713' KOP and continued drilling directionally.  
 6/16/13 - Drilled to 11,500' and reduced hole to 8-1/2" and continued drilling.  
 6/23/13 - Reached TD 8-1/2" hole to 15,763'  
 6/25/13 - Set 5-1/2" 17# HCP-110 BTC casing at 15,705'. Stage tool at 9597'. Float collar at 15,658'. Cemented stage 1 with 1000 sx TXI Liteweight + 75#/sx D049 + 0.5% D112 + 1.5% D174 + 0.1% D208 + 0.8% D800 + 0.2% D046 + 30% D151 (yld 1.82, wt 13). No cement circulated. Cemented stage 2 with 860 sx 35:65:6 Poz "H" + 0.3% D013 + 6% D020 + 29#/sx D035 + 5% D044 + 0.2% D046 + 0.1% D065 + 0.125#/sx D130 + 61#/sx D909 (yld 2.06, wt 12.6). Tailed in with 320 sx 50/50 Poz + 0.1% D013 + 42#/sx D035 + 3#/sx D042 + 5% D044 + 0.2% D046 + 2% D174 + 0.03% D208 + 47#/sx D909 (yld 1.39, wt 14.4).

*DV TOOL @ ???*

Spud Date: 5/3/13 Rig Release Date: 6/26/13

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Tina Huerta* TITLE Regulatory Compliance Supervisor DATE July 5, 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 JUL 15 2013

Conditions of Approval (if any): SUBMIT DEPTH DV TOOL @  
 JUL 15 2013