

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  
**HOBS OGD**  
**JUL 29 2013**  
**RECEIVED**  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 Revised August 1, 2011

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.)		WELL API NO. 30-025-40576
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VO-3524/VO-8239
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name September Grass BSG State Com
4. Well Location Unit Letter <u>J</u> : <u>2480</u> feet from the <u>South</u> line and <u>1955</u> feet from the <u>East</u> line Unit Letter <u>G</u> : <u>2310</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>East</u> line Surf-Section <u>5</u> Township <u>21S</u> Range <u>34E</u> NMPM <u>Lea</u> County <input checked="" type="checkbox"/> BHL-Section <u>8</u> Township <u>21S</u> Range <u>34E</u> NMPM <u>Lea</u> County		8. Well Number 1H
		9. OGRID Number 025575
		10. Pool name or Wildcat Berry; Bone Spring, North
		11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3714'GR

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.

6/23/13 - Drilled to 11,175' KOP and continued drilling directionally.  
 6/25/13 - Drilled to 11,780' and reduced hole to 8-1/2" and continued drilling.  
 7/3/13 - Reached TD 8-1/2" hole to 16,219' at 6:45 AM.  
 7/5/13 - Set 5-1/2" 17# P-110 buttress casing at 16,213'. DV/stage tool at 10,994'. Float collar at 16,170'. Cemented stage 1 with 870 sx PVL with additives (yld 1.82, wt 13) and 355 sx PVL with additives (yld 1.82, wt 13). Cemented stage 2 with 440 sx 35:65 Poz "H" with additives (yld 2.06, wt 12.6). Tailed in with 460 sx 50/50 Poz "H" with additives (yld 1.34, wt 14.4).

Spud Date:  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 July 24, 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 30 2013  
 Conditions of Approval (if any):

JUL 30 2013