

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 87411
 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 July 18, 2013

HOBBS OCD
 JAN 21 2014

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

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. 30-025-40907
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-6276
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Yarrow BHY State
4. Well Location Unit Letter <u>A</u> : <u>200</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Unit Letter <u>P</u> : <u>330</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>32</u> Township <u>23S</u> Range <u>33E</u> NMPM <u>Lea</u> County		8. Well Number 5H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3663'GR		9. OGRID Number 025575
10. Pool name or Wildcat Triple X; Bone Spring		

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

NOTICE OF INTENTION TO: 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"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: 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: Spud and surface casing <input checked="" type="checkbox"/>
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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.

1/3/14 - Spudded 26" hole with Rathole at 11:00 AM. Set 80' of 20" conductor and cemented with 6 sx redi-mix to surface. Notified Maxey Brown NMOCD-Hobbs via phone call at 10:00 AM on 1-3-13. Waiting on rotary tools.
 1/11/14 - Resumed drilling with rotary tools at 9:30 AM. Notified Maxey Brown NMOCD-Hobbs at 9:00 AM.
 1/13/14 - TD 17-1/2" hole to 1307'. Set 13-3/8" 48# J-55 ST&C casing at 1307'. Cemented with 550 sx Class "C" + 2#/sx B288 + 2#/sx B289 + 5#/sx D042 + 5% D044 + 0.3% D112 + 0.125#/sx D130 + 0.2% D46 + 5% D020 (yld 2.23, wt 12.8). Tailed in with 300 sx Class "C" + 0.125#/sx D130 + 0.2% D46 (yld 1.33, wt 14.8). Circulated 146 sx to pit. Tested casing to 800 psi, good. WOC 43 hrs. Reduced hole to 12-1/4" and resumed drilling.

Spud Date: 1/3/14 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: January 17, 2013

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

APPROVED BY: [Signature] TITLE: Petroleum Engineer DATE: JAN 22 2014

Conditions of Approval (if any): _____
 JAN 22 2014