

Office

Energy, Minerals and Natural Resources

Revised July 18, 2013

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

HOBBS OCD

OIL CONSERVATION DIVISION

JAN 31 2014 1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-025-41055
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VO-6582/VO-5532
7. Lease Name or Unit Agreement Name Atoka Bank BDJ State Com
8. Well Number 2H
9. OGRID Number 025575
10. Pool name or Wildcat Triple X; Bone Spring, West
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,596' GR

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 [X] Gas Well [] Other []
2. Name of Operator Yates Petroleum Corporation
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210
4. Well Location Unit Letter B : 200 feet from the North line and 1780 feet from the East line
Unit Letter O : 330 feet from the South line and 1780 feet from the East line
Section 17 Township 24S Range 33E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,596' GR

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 []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: Surface casing [X]

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.

1/22/14 - Resumed drilling with rotary tools at 4:15 am. Notified NMOCD-Hobbs of pending operations via voice mail.
1/24/14 - TD 17-1/2" hole to 1,260'. Set 13-3/8" 48# J-55 ST&C casing at 1,260'. Cemented with 465 sacks Class "C" + 2#/sx B288 + 2#/sx B289 + 5% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.3% D112 + 0.13#/sx D130 + 94#/sx D903 (yld 2.23, wt 12.8). Tailed in with 300 sacks Class "C" + 3#/sx D042 + 0.2% D046 + 0.13#/sx D130 + 94#/sx D903 (yld 1.40, wt 14.8). Circulated 145 sacks to pit.
1/26/14 - Tested casing to 600 psi, good. Cement fell back 38'. Added 6 yards redi-mix to backside. Tested casing to 624 psi, ending 670 psi. WOC 30 hours 30 mins. Reduced hole to 12-1/4" and resumed drilling.

Spud Date: 1/8/14

Rig Release Date:

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

SIGNATURE [Signature] TITLE Regulatory Reporting Technician DATE January 30, 2014

Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE FEB 03 2014

Conditions of Approval (if any):

FEB 03 2014