

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 87414
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OGD
 FEB 26 2014
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State of New Mexico
 Energy, Minerals and Natural Resources
 CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised July 18, 2013

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| <p style="text-align: center;">SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>(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.)</p> <p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p> <p>2. Name of Operator Yates Petroleum Corporation</p> <p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p> <p>4. Well Location</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;">Unit Letter</td> <td style="border: none;"><u> D </u></td> <td style="border: none;">:</td> <td style="border: none;"><u> 330 </u></td> <td style="border: none;">feet from the</td> <td style="border: none;"><u> North </u></td> <td style="border: none;">line and</td> <td style="border: none;"><u> 660 </u></td> <td style="border: none;">feet from the</td> <td style="border: none;"><u> West </u></td> <td style="border: none;">line</td> </tr> <tr> <td style="border: none;">Unit Letter</td> <td style="border: none;"><u> A </u></td> <td style="border: none;">:</td> <td style="border: none;"><u> 330 </u></td> <td style="border: none;">feet from the</td> <td style="border: none;"><u> North </u></td> <td style="border: none;">line and</td> <td style="border: none;"><u> 660 </u></td> <td style="border: none;">feet from the</td> <td style="border: none;"><u> East </u></td> <td style="border: none;">line</td> </tr> <tr> <td style="border: none;">Section</td> <td style="border: none;"><u> 28 </u></td> <td style="border: none;">Township</td> <td style="border: none;"><u> 23S </u></td> <td style="border: none;">Range</td> <td style="border: none;"><u> 35E </u></td> <td style="border: none;">NMPM</td> <td style="border: none;"><u> Lea </u></td> <td style="border: none;">County</td> <td colspan="2" style="border: none;"></td> </tr> </table> <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3364'GR</p> | Unit Letter | <u> D </u> | : | <u> 330 </u> | feet from the | <u> North </u> | line and | <u> 660 </u> | feet from the | <u> West </u> | line | Unit Letter | <u> A </u> | : | <u> 330 </u> | feet from the | <u> North </u> | line and | <u> 660 </u> | feet from the | <u> East </u> | line | Section | <u> 28 </u> | Township | <u> 23S </u> | Range | <u> 35E </u> | NMPM | <u> Lea </u> | County | | | <p>WELL API NO. 30-025-40220</p> <p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p> <p>6. State Oil & Gas Lease No. VB-1073</p> <p>7. Lease Name or Unit Agreement Name Warrior BRW State Com</p> <p>8. Well Number 1H</p> <p>9. OGRID Number 025575</p> <p>10. Pool name or Wildcat Wildcat; Bone Spring</p> |
| Unit Letter | <u> D </u> | : | <u> 330 </u> | feet from the | <u> North </u> | line and | <u> 660 </u> | feet from the | <u> West </u> | line | | | | | | | | | | | | | | | | | | | | | | | | |
| Unit Letter | <u> A </u> | : | <u> 330 </u> | feet from the | <u> North </u> | line and | <u> 660 </u> | feet from the | <u> East </u> | line | | | | | | | | | | | | | | | | | | | | | | | | |
| Section | <u> 28 </u> | Township | <u> 23S </u> | Range | <u> 35E </u> | NMPM | <u> Lea </u> | County | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

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| <p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>CLOSED-LOOP SYSTEM <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p> | <p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: 5' new hole <input checked="" type="checkbox"/></p> |
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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.

2/24/14 - Made 5' new hole. TD 235'. Hole size 10". Notified Maxey Brown NMOCD-Hobbs of operations via email.

NOTE: Conductor with locking cap was set 11/18/11. Based on surface waters map the estimated top of fresh water is 300'. At present, no water has been recorded in this wellbore.

Spud Date: 10/31/11 Rig Release Date:

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

SIGNATURE *Laura Watts* TITLE Regulatory Reporting Technician DATE February 25, 2014

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

APPROVED BY: Accepted for Record Only TITLE DATE 02/28/2014

Conditions of Approval (if any):

MAR 03 2014