

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**  
 FEB 26 2014  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 Revised July 18, 2013

**RECEIVED**

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-025-40515
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. VB-1185
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Taipan BST State
4. Well Location Unit Letter <u>C</u> : <u>175</u> feet from the <u>North</u> line and <u>2200</u> feet from the <u>West</u> line Unit Letter <u>N</u> : <u>330</u> feet from the <u>South</u> line and <u>2200</u> feet from the <u>West</u> line Section <u>31</u> Township <u>24S</u> Range <u>33E</u> NMPM Lea County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3540'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Wildcat; Bone Spring

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"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <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: 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.

2/7/14 - Set 60' of 20" conductor and cemented with 114 sacks redi-mix to surface.  
 2/8/14 - Notified Maxey Brown with NMOCD-Hobbs at 4:45 pm of setting and cementing conductor. Waiting on rotary tools.  
 2/14/14 - Resumed drilling with rotary tools at 10:30 am.  
 2/15/14 - TD 17-1/2" hole at 1,130'. Set 13-3/8" 48# J-55 LT&C casing at 1,130'. Cemented with 410 sacks Class "C" + 2#/sx B288 + 2#/sx B289 + 4% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.3% D112 + 0.125#/sx D130 (yld 2.21, wt 12.8). Tailed in with 270 sacks Class "C" + 0.8% D020 + 3% D044 + 0.2% D046 + 0.13#/sx D130 (yld 1.36, wt 14.8). Circulated 188 sacks to surface. WOC.  
 2/17/14 - Tested casing to 600 psi for 30 mins, held good. WOC 41 hours 45 mins. Reduced hole to 12-1/4 and resumed drilling.

Spud Date: 6/28/12

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: [Signature] TITLE: Petroleum Engineer DATE: MAR 03 2014

Conditions of Approval (if any):

MAR 03 2014