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

HOBBS OCD
MAR 0 4 2014
RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised July 18, 2013

| | |
|---|---|
| WELL API NO. 30-025-40566 | |
| 5. Indicate Type of Lease STATE ☒ FEE ☐ | |
| 6. State Oil & Gas Lease No. VB-1179 | |
| 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 ☒ Gas Well ☐ Other | 7. Lease Name or Unit Agreement Name Pirate BRY State |
| | 8. Well Number 1H |
| 2. Name of Operator Yates Petroleum Corporation | 9. OGRID Number 025575 |
| 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 | 10. Pool name or Wildcat Red Hills; Bone Spring, North |

4. Well Location

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Unit Letter | O | : | 460 | feet from the | South | line and | 1650 | feet from the | East | line |
| Unit Letter | B | | 350 | feet from the | North | line and | 1980 | feet from the | East | line |
| Section | 16 | Township | 24S | Range | 34E | NMPM | Lea | County | | |

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3527'GR

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

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

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.

2/27/14 – Made 5' new hole. TD 175'. Hole size 12-1/4". Notified Maxey Brown NMOCD-Hobbs of operations via email.

Spud Date: 5/30/12 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 28, 2014

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

**For State Use Only**

APPROVED BY: **Accepted for Record Only** TITLE DATE 03/05/2014

Conditions of Approval (if any):

MAR 0 5 2014