

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 OGD
 MAR 31 2014
 RECEIVED

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

WELL API NO.
 30-025-41056 ✓

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 VO-5532

7. Lease Name or Unit Agreement Name
 Hearthrob BSX State ✓

8. Well Number
 1H ✓

9. OGRID Number
 025575 ✓

10. Pool name or Wildcat
 Triple X; Bone Spring, West ✓

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

2. Name of Operator
 Yates Petroleum Corporation ✓

3. Address of Operator
 105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter	<u>D</u>	:	<u>200</u>	feet from the	<u>North</u>	line and	<u>660</u>	feet from the	<u>West</u>	line
Unit Letter	<u>M</u>	:	<u>330</u>	feet from the	<u>South</u>	line and	<u>660</u>	feet from the	<u>West</u>	line
Section	<u>17</u>	Township	<u>24S</u>	Range	<u>33E</u>	NMPM	<u>Lea</u>	County	<u>Lea</u>	County
Section	<u>17</u>	Township	<u>24S</u>	Range	<u>33E</u>	NMPM	<u>Lea</u>	County	<u>Lea</u>	County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3,575' GR

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"/> PLUG AND ABANDON <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Spud <input checked="" type="checkbox"/>	
--	--	---	--

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.

3/17/14 - Spudded well with rathole service at 3:00 pm. Hole size 30". Notified NMOCD of spud via voice mail.
 3/18/14 - Set 80' of 20" conductor and cemented with 6 sacks redi-mix to surface. Waiting on rotary tool.

Spud Date: 3/17/14

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 March 28, 2014
 Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 505-748-4272

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE APR 01 2014

Conditions of Approval (if any):

APR 01 2014