

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 87401
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

HOBBS OGD
MAR 31 2014
RECEIVED

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

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.)		WELL API NO. 30-025-41057
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. VO-5532
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Heartthrob BSX State
4. Well Location Unit Letter <u>C</u> : <u>200</u> feet from the <u>North</u> line and <u>1860</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>1980</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		8. Well Number 2H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,582' GR		9. OGRID Number 025575
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		10. Pool name or Wildcat Triple X; Bone Spring, West

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"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Production 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.

3/12/14 - Drilled to 10,690' KOP and resumed drilling directional.
 3/15/14 - Drilled to 11,412' and reduced hole to 8-1/2" and resumed drilling.
 3/18/14 - Reached TD 8-1/2" hole to 15,824'.
 3/19/14 - Set 5-1/2" 17# HCP -110, P-110 Buttruss casing at 15,774'. Diversion tool/stage tool set at 6,973' and 9,964. Float collar at 15,724'. Cemented stage 1 with 1025 sacks TXI Litewt + 0.2% D046 + 75#/sx D049 + 0.5% D112 + 30% D151 + 2% D174 + 0.01 gal/sx D177 + 0.15% D208 + 0.9% D800 (yld 1.83, wt 13). Circulated 154 sacks off top of DV tool to the surface. Cemented stage 2 with 450 sacks TXI Litewt + 4% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 75#/sx D049 + 0.2% D065 + 0.125#/sx D130 + 0.6%

CONTINUED ON NEXT PAGE:

Spud Date: 2/11/14 Rig Release Date: 3/22/14

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

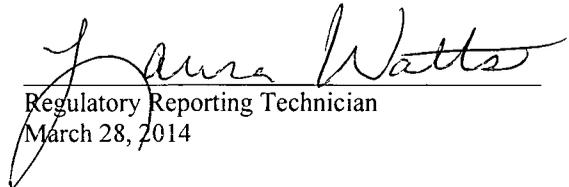
SIGNATURE Laura Watts TITLE Regulatory Reporting Technician DATE March 28, 2014
 Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272
For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE APR 01 2014
 Conditions of Approval (if any):

APR 01 2014

Form C-103 continued:

D201 + 0.03% D208 (yld 2.00, wt 12.00). Tailed in with 100 sacks TXI Litewt + 0.2% D046 + 75#/sx D049 + 0.2% D065 + 1% D112 + 1.5% D174 + 0.3% D201 (yld 1.42, wt 13.00). Circulated 14 sacks off DV tool to the surface. Cemented stage 3 with 320 sacks TXI Litewt + 4% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 75#/sx D049 + 0.2% D065 + 0.125#/sx D130 + 0.4% D201 + 0.03% D208 (yld 2.00, wt 12.00). Tailed in with 100 sacks TXI Litewt + 3% D020 + 0.2% D046 + 75#/sx D049 + 0.2% D065 + 1% D112 + 1.5% D174 + 0.1% D201 (yld 1.46, wt 13.00). Calculated TOC at 4,722'.


Regulatory Reporting Technician
March 28, 2014