

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 State of New Mexico
 Energy, Minerals and Natural Resources

APR 01 2014

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
 Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-025-40556
 5. Indicate Type of Lease
 STATE FEE
 6. State Oil & Gas Lease No. VO-3662/VB-1647
 7. Lease Name or Unit Agreement Name Sitka BSI State Com
 8. Well Number 1H
 9. OGRID Number 025575
 10. Pool name or Wildcat Grama Ridge; Bone Spring, North

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 Lot 14 : 2680 feet from the South line and 1650 feet from the West line
 Unit Letter F : 2310 feet from the North line and 1980 feet from the West line
 Section 4 Township 21S Range 34E NMPM Lea County
 Section 9 Township 21S Range 34E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3,708' GR

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER Spud
- ALTERING CASING
- P AND A

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.

3/27/14 - Spudded well with rathole service at 8:50 am. Hole size 10". TD 5'. The hole was covered and a Tpost marker was installed. Notified Maxey Brown with NMOCD-Hobbs of operations via e-mail.

Spud Date:

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 31, 2014

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

For State Use Only
 Accepted for Record Only
 APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): MJB 4/1/2014

APR 02 2014