

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

Form C-103
 Revised July 18, 2013

HOBBS OCD
APR 28 2014

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

WELL API NO. 30-025-41056
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
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 D : 200 feet from the North line and 660 feet from the West line
 Unit Letter M : 330 feet from the South line and 660 feet from the West line
 Section 17 Township 24S Range 33E NMPM Lea 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"/> 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.

4/8/14 - Drilled to 10,599' KOP and continued drilling directional.
 4/13/14 - Drilled to 11,262' reduced hole to 8-1/2" and continued drilling.
 4/18/14 - Reached TD 8-1/2" hole to 15,815'.
 4/19/14 - Set 5-1/2" 17# P-110 BT&C casing at 15,760'. Float collar at 15,712'. Cemented with 750 sacks LiteCrete + 0.2% D046 + 45#/sx D049 + 0.5% D065 + 0.3% D167 + 2% D174 + 24#/sx D178 + 31#/sx D195 + 0.05% D208 + 0.7% D800 (yld 2.46, wt 9.70). Tailed in with 1420 sacks PVLit + 3#/sx D042 + 0.2% D046 + 75#/sx D049 + 2% D174 + 0.5% D207 + 0.8% D800 (yld 1.30, wt 13.5). Calculated TOC at 4,575'. Notified Maxey Brown with NMOCD-Hobbs of operations via voice mail.

Spud Date: 3/17/14

Rig Release Date: 4/20/14

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 April 25, 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 MAY 05 2014

Conditions of Approval (if any):

MAY 05 2014