

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  
MAY 06 2014

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

|   |  |   |
|---|--|---|
| <p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br/>(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.)</p>                           |  | <p>WELL API NO.<br/>30-025-40638</p>  |
| <p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>   |  | <p>5. Indicate Type of Lease<br/>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p> |
| <p>2. Name of Operator<br/>Yates Petroleum Corporation</p>  |  | <p>6. State Oil &amp; Gas Lease No.<br/>VB-1191</p>   |
| <p>3. Address of Operator<br/>105 South Fourth Street, Artesia, NM 88210</p>  |  | <p>7. Lease Name or Unit Agreement Name<br/>Sable BSA State</p>   |
| <p>4. Well Location<br/>Unit Letter M : 660 feet from the South line and 330 feet from the West line<br/>Unit Letter N : 660 feet from the South line and 2310 feet from the West line<br/>Section 9 Township 23S Range 34E NMPM Lea County</p> |  | <p>8. Well Number<br/>1H</p>  |
| <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br/>3423'GR</p>   |  | <p>9. OGRID Number<br/>025575</p>   |
| <p>10. Pool name or Wildcat<br/>Antelope Ridge; Bone Spring, Northwest</p>  |  |   |

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

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

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.

5/4/14 - Made 5' new hole. TD 185'. Hole size 12". Notified Maxey Brown NMOCD-Hobbs of operations via email.

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 May 5, 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: MJB TITLE 5/7/2014 DATE 5/7/2014

Conditions of Approval (if any):

MAY 07 2014