

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

MAY 19 2014

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

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| <p>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.)</p> <p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p> <p>2. Name of Operator Yates Petroleum Corporation</p> <p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p> <p>4. Well Location 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 Unit Letter <u>D</u> : <u>330</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>35</u> Township <u>24S</u> Range <u>34E</u> NMPM Lea County</p> | | <p>WELL API NO. 30-025-39712</p> <p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p> <p>6. State Oil & Gas Lease No. VO-7379</p> <p>7. Lease Name or Unit Agreement Name Orange Raider BPV State</p> <p>8. Well Number 1H</p> <p>9. OGRID Number 025575</p> <p>10. Pool name or Wildcat Red Hills; Bone Spring, East</p> |
| <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3389'GR</p> | | |

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

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| <p>NOTICE OF INTENTION TO:</p> <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>SUBSEQUENT REPORT OF:</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> |
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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.

5/14/14 - Made 5' new hole. TD 405'. Hole size 10". Notified Maxey Brown NMOCD-Hobbs of operations via email.

NOTE: Conductor with locking cap was set 3/2/11. Based on surface waters map the estimated top of fresh water is 220'. At present, water has not been recorded in this wellbore.

Spud Date:

4/1/10

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 16, 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 5/19/2014 DATE 5/19/2014

Conditions of Approval (if any):

MAY 19 2014