

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 87411
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD
JUN 03 2014

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

WELL API NO. 30-025-41631
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VB-1859/ L-5167
7. Lease Name or Unit Agreement Name Action BTI State Com
8. Well Number 2H
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 [X] 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 C : 320 feet from the North line and 1980 feet from the West line
Section 16 Township 24S Range 33E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,608' GR

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: Production casing [X]

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.

5/8/14 - Drilled to KOP 10,708' and resumed drilling directional.
5/8/14 - Drilled to 11,483' and reduced hole to 8-1/2" and resumed drilling.
5/11/14 - Reached TD 8-1/2" hole to 15,671'.
5/12/14 - Notified Maxey Brown with NMOCD-Hobbs of pending casing and cement job. Set 5-1/2" 17# P-110 BT&C casing at 15,626'. Float collar set at 15,577'. Cemented with 750 sacks LiteCrete + 0.2% D046 + 0.5% D065 + 0.3% D167 + 2% D174 + 0.05% D208 + 0.7% D800 (yld 2.46, wt 9.70). Tailed in with 1675 sacks PVLite + 5#/sx D042 + 0.2% D046 + 0.3% D167 + 0.01 gal/sx D177 + 0.04% D208 + 0.7% D800 (yld 1.29, wt 13.5).

Spud Date: 4/18/14 Rig Release Date: 5/15/14

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

SIGNATURE [Signature] TITLE: Regulatory Reporting Technician DATE: June 2, 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: 06/07/14
Conditions of Approval (if any):

JUN 4 2014 M