

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 87401
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

<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>WELL API NO. 30-025-39802</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 STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil & Gas Lease No. VB-7699</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Andele BQE State</p>
<p>4. Well Location Unit Letter <u>P</u> : <u>200</u> feet from the <u>South</u> line and <u>200</u> feet from the <u>East</u> line Unit Letter <u>L</u> : <u>2130</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line Section <u>16</u> Township <u>25S</u> Range <u>34E</u> NMPM Lea County</p>		<p>8. Well Number 1H</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3352' GR</p>		<p>9. OGRID Number 025575</p>
<p>10. Pool name or Wildcat Red Hills; Bone Spring</p>		

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

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

6/2/14 - Made 5' new hole. TD 330'. Hole size 10". Notified Maxey Brown NMOCD-Hobbs of operations via email.

NOTE: Conductor with locking cap was set 3/9/11. Based on surface waters map the estimated top of fresh water is 150'. At present, water has not been recorded in this wellbore.

Spud Date: 1/31/11 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 June 3, 2014
 Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272
For State Use Only

APPROVED BY: Accepted for Record Only DATE
 Conditions of Approval (if any): MSB 6/6/2014

JUN 09 2014