

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

HOBBS OGD
 JUN 18 2014
 RECEIVED

State of New Mexico
 Energy, Minerals and Natural Resources
 CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised July 18, 2013

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| WELLS API NO. 30-025-41602 | |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> | |
| 6. State Oil & Gas Lease No. VO-7363 | |
| 7. Lease Name or Unit Agreement Name Caravan State Unit | |
| 8. Well Number 8H | |
| 9. OGRID Number 025575 | |
| 10. Pool name or Wildcat Triste Draw; Bone Spring, East | |
| 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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | |
| 2. Name of Operator Yates Petroleum Corporation | |
| 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 | |
| 4. Well Location Unit Letter <u>D</u> : <u>50</u> feet from the <u>North</u> line and <u>450</u> feet from the <u>West</u> line Unit Letter <u>M</u> : <u>330</u> feet from the <u>South</u> line and <u>450</u> feet from the <u>West</u> line Section <u>33</u> Township <u>24S</u> Range <u>33E</u> NMPM <u>Lea</u> County | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,480' | |

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"/> | |
|--|--|--|--|

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.

6/1/14 - Drilled to 10,592' KOP and continued drilling directional. Drilled to 11,362' reduced hole to 8-1/2" and resumed drilling.
 6/8/14 - Reached TD 8-1/2" to 15,868'.
 6/10/14 - Set 5-1/2" 17# P-110 BT&C casing at 15,815'. Float collar set at 15,767'. Cemented with 651 sacks LiteCrete + 0.2% D046 + 0.3% D065 + 0.3% D167 + 2% D174 + 0.02 gal/sx D177 + 0.05% D208 + 0.4% D800 (yld 2.45, wt 9.7). Tailed in with 1550 sacks TXI + 3#/sx D042 + 0.2% D046 + 0.1% D065 + 5% D154 + 2% D174 + 0.2% D238 + 0.8% D800 (yld 1.36, wt 13.5)

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 June 17, 2014

Type or print name Laura Watts E-mail address: laura@yatespetroleum.com PHONE: 575-748-4272

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 06/27/14

Conditions of Approval (if any):
 E-PERMITTING - CSNG MB
 P&A TA
 COMP NEW WELL
 LOC CHG _____

JUL 01 2014