

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

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

**HOBBS COAL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

JUN 24 2014

RECEIVED

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.)		WELL API NO. 30-025-41655
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VB-0647
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Caravan State Unit
4. Well Location Unit Letter <u>D</u> : <u>50</u> feet from the <u>North</u> line and <u>420</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>420</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 <u>Lea</u> Section <u>28</u> Township <u>24S</u> Range <u>33E</u> NMPM <u>Lea</u> County <u>Lea</u>		8. Well Number 7H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,494' GR		9. OGRID Number 025575
10. Pool name or Wildcat Triste Draw; Bone Spring, East		

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

<b>NOTICE OF INTENTION TO:</b> 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"/>		<b>SUBSEQUENT REPORT OF:</b> 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: Surface casing <input checked="" type="checkbox"/>	
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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.

6/16/14 - Resumed drilling with rotary tools at 4:30 pm.  
 6/17/14 - TD 17-1/2" hole to 1,215'. Set 13-3/8" 48# J-55 ST&C casing at 1,215'. Cemented with 420 sacks Class "C" + 0.2% D046 + 0.3% D112 + 0.125% D130 + 0.125% D130 + 5#/sx D042 (yld 2.10, wt 12.8). Tailed in with 270 sacks Class "C" + 4% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 (yld 1.35, wt 14.8) Circulated 160 sacks to surface. WOC.  
 6/18/14 - Tested casing to 604 psi, ok. WOC 27 hours. Reduced hole to 12-1/4" and resumed drilling.

Spud Date: 5/13/14 Rig Release Date:                     

E-PERMITTING - CSNG MB  
 P&A            TA             
 COMP            NEW WELL             
 LOC CHG           

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

SIGNATURE Laura Watts TITLE Regulatory Reporting Technician DATE June 23, 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):

JUL 01 2014