

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88203
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87416
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD JUN 26 2014

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

WELL API NO. 30-025-41655
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VB-0647
7. Lease Name or Unit Agreement Name Caravan State Unit
8. Well Number 7H
9. OGRID Number 025575
10. Pool name or Wildcat Triste Draw; Bone Spring, East

SUNDRY RECORDS 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 D : 50 feet from the North line and 420 feet from the West line
Unit Letter D : 330 feet from the North line and 420 feet from the West line
Section 33 Township 24S Range 33E NMPM Lea County
Section 28 Township 24S Range 33E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,494' 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: Intermediate 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.

6/20/14 - TD 12-1/4" hole to 5,117'.

6/21/14 - Set 9-5/8" 36# and 40# J-55, HCK-55 LT&C casing at 5,117'. Cemented stage 1 with 160 sacks 35:65 Poz "C" + 0.2% D013 + 2% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.1% D065 + 0.125#/sx D130 + 0.1% D238 (yld 1.92, wt 12.8). Tailed in with 180 sacks 50:50 Poz "C" + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.01 gals/sx D177 (yld 1.37, wt 14.2). Circulated 117 sacks to the surface. Cemented stage 2 with 795 sacks 35:65 Poz "C" + 0.2% D013 + 2% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.1% D065 + 0.125#/sx D130 + 0.1% D238 (yld 1.92, wt 12.8). Tailed in with 180 sacks 50:50 Poz "C" + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.01% D177 (yld 1.37, wt 14.2). Circulated 88 sacks to the surface. WOC.

6/22/14 - Tested casing to 1200 psi for 30 mins, ok. WOC 28 hours 45 mins. Reduced hole to 8-3/4" and resumed drilling.

Spud Date: 5/13/14

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 25, 2014

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

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 07/01/14

Conditions of Approval (if any):

JUL 02 2014