

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

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

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| WELL API NO. 30-025-41378 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VB-2103 |
| 7. Lease Name or Unit Agreement Name Cranberry BSU State Com |
| 8. Well Number 1H |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat Wildcat; Bone Spring |

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 PROPOSALS.)

1. Type of Well: Oil Well 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 P : 15 feet from the South line and 660 feet from the East line
 Unit Letter A : 330 feet from the North line and 660 feet from the East line
 Section 11 Township 21S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,786'

HOBSBOD
 JUL 30 2014
 RECEIVED

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: Surface 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.

7/22/14 - Resumed drilling with rotary tools at 11:30 pm.

7/24/14 - TD 17-1/2" hole to 1,888'. Set 13-3/8" 48# and 54.50# J-55 ST&C casing at 1,888'. Cemented with 780 sacks Class "C" + 0.1% D013 + 2.5% D020 + 5#/sx D042 + 5% D044 + 0.13#/sx D130 + 0.1% D238 + 0.2% D46 + 0.2% D65 (yld 2.10, wt 12.8). Tailed in with 180 sacks Class "C" + 0.1% D013 + 5#/sx D042 + 0.13#/sx D130 + 0.2% D46 (yld 1.35, wt 14.8). Circulated 267 sacks to the surface.

7/26/14 - Tested casing to 600 psi, ok. WOC 39 hours. Reduced hole to 12-1/4" and resume drilling.

Spud Date: 7/18/14 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 July 29, 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 07/31/14

Conditions of Approval (if any)

AUG 05 2014
 MB