

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

WELL API NO. 30-025-41744
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-7378
7. Lease Name or Unit Agreement Name Caravan State Unit
8. Well Number 10H
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-103) FOR SUCH 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 B : 15 feet from the North line and 2150 feet from the East line
 Unit Letter O : 330 feet from the South line and 2150 feet from the East line
 Section 33 Township 24S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,479'

HOBBS, NM
 SEP 04 2014

RECEIVED

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER: Production casing
- ALTERING CASING
- P AND A

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.

8/20/14 - Drilled to 10,633' KOP and continued drilling directional.
 8/21/14 - Drilled to 11,247' and reduced hole to 8-1/2" and resumed drilling.
 8/24/14 - Reached TD 8-1/2" hole to 15,890'. Set 5-1/2" 17# P-110 BT&C casing at 15,880'. Float collar set at 15,832'.
 8/26/14 - Cemented with 650 sacks LiteCrete + 0.2% D046 + 45#/sx D049 + 0.4% D065 + 0.5% D167 + 2% D174 + 24#/sx D178 + 31#/sx D195 + 0.05% D208 + 0.4% D800 (yld 2.46, wt 9.20). Tailed in with 1710 sacks TXI Litewt + 3#/sx D042 + 0.2% D046 + 75#/sx D049 + 0.3% D065 + 5% D154 + 2% D174 + 0.3% D238 + 0.8% D800 (yld 1.50, wt 13). Calculated TOC at 4,690'.

Spud Date: 7/2/14

Rig Release Date: 8/27/14

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 September 3, 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 09/04/14

Conditions of Approval (if any):

SEP 08 2014 MB [Signature]