

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

HOBBSON

MAR 02 2015

RECEIVED

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Revised July 18, 2013

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. 30-025-40518
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-1220
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Tangerine BRT State
4. Well Location Unit Letter A : 100 feet from the North line and 660 feet from the East line Unit Letter P : 330 feet from the South line and 660 feet from the East line Section 27 Township 20S Range 35E NMPM Lea County		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3667' GR		9. OGRID Number 025575
		10. Pool name or Wildcat Featherstone; Bone Spring

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: Surface casing ☒

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.

2/15/15 - Resumed drilling with rotary tools at 9:00 pm.

2/18/15 - TD 17-1/2" hole to 1,883'. Set 13-3/8" 48#, 54.5# J-55 ST&C casing at 1,883'. Cemented with 986 sacks Class "C" + 0.2#/sx D013 + 5% D020 + 5#/sx D042 + 5% D044 + 0.2% D046 + 0.2% D065 + 0.13#/sx D130 (yld 2.15, wt 12.80). Tailed in with 177 sacks Class "C" + 1.5% D020 + 3#/sx D042 + 0.13#/sx D130 + 1% S001 (yld 1.71, wt 13.50) Circulated 125 sacks to the surface.

2/19/15 - Tested casing to 800 psi, good. WOC 34 hours 30 mins. Reduced hole to 12-1/4" and continued drilling.

Spud Date:

8/31/12

Rig Release Date:

E-PERMITTING

P&A NR

DHC COMP

CSNG NR

TA

RBDMS

INT to PA

P&A R

CHG Loc

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 February 25, 2015

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 03/03/15

Conditions of Approval (if any):

MAR 04 2015