

District I
1625 N. French Dr., Hobbs, NM 88210
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

JUL 13 2010

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-39712 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
6. State Oil & Gas Lease No. VO-7379
7. Lease Name or Unit Agreement Name Orange Raider BPV State ✓
8. Well Number 1H ✓
9. OGRID Number 025575 ✓
10. Pool name or Wildcat Red Hills; Bone Spring, East (Oil) ✓

<p>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)</p> <p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> ✓</p> <p>2. Name of Operator Yates Petroleum Corporation ✓</p> <p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p> <p>4. Well Location Unit Letter <u>M</u> : <u>330</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line Section <u>35</u> Township <u>24S</u> Range <u>34E</u> NMPM <u>Lea</u> County <u>✓</u></p> <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3389' GR</p>	
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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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Drilling 5' of new hole ☒

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.

7/02/10 Made 5' of new hole @ 9:45 a.m. TD = 35'. Hole size 12-1/4". Notified Elidio Gonzales w/Hobbs NMOCOD via e-mail.

Accepted for Record Only

Spud Date:

4/1/10

Rig Release Date:

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

SIGNATURE Allison Barton TITLE Regulatory Compliance Technician DATE 7/12/10

Type or print name Allison Barton E-mail address: abarton@yatespetroleum.com PHONE: (575) 748-1471

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUL 13 2010
Conditions of Approval (if any): **Accepted for Record Only**

P.M.