Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
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

State of New Mexico
Energy, Minerals and Natural Resources

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

MAY 19 2011
RECEIVED

Form C-103
October 13, 2009

| WELL API NO. |
| 30-025-40054 |

5. Indicate Type of Lease
STATE ☒   FEE ☐

6. State Oil & Gas Lease No.
VB-1192

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.)

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

7. Lease Name or Unit Agreement Name
Basilisk BQS State Com

8. Well Number
1H

9. OGRID Number
025575

10. Pool name or Wildcat
Wildcat; Bone Spring

4. Well Location

Surface	N	:	330	feet from the	South	line and	1980	feet from the	West	line
BHL	C		330	feet from the	North	Line and	1980	feet from the	West	line

| Section | 36 | Township | 24S | Range | 32E | NMPM | Lea | County |

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3557'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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: 5' 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.

5/13/11 – Made 5' new hole at 12:30 PM. TD 25'. Nofitied E.L. Gonzales NMOCD-Hobbs of operations via email.

Spud Date: 3/1/11

Rig Release Date:

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

SIGNATURE _____   TITLE Regulatory Compliance Supervisor   DATE May 18, 2011

Type or print name Tina Huerta   E-mail address: tinah@yatespetroleum.com   PHONE: 575-748-4168

For State Use Only

APPROVED BY: _____ TITLE _Sr. Staff Mgr_ DATE 5-19-2011

Conditions of Approval (if any):