

DISTRICT I P.O. Box 1980, Hobbs, NM 88240
DISTRICT II P.O. Drawer DD, Artesia, NM 88210
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

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. 30-5-63550

5. Indicate Type of Lease STATE [X] FEE []

6. State Oil & Gas Lease No. VA-2034

7. Lease Name or Unit Agreement Name Gasby BCD State Com.

1. Type of Well: OIL WELL [] GAS WELL [X] OTHER

2. Name of Operator Yates Petroleum Corporation

8. Well No. 1

3. Address of Operator 105 S. 4th Street, Artesia, NM 88210

9. Pool name or Wildcat Wildcat Precambrian

4. Well Location Unit Letter D : 660 eet From The North Line and 660 Feet From The West Line Section 20 Township 10S Range 27E NMPM Chaves County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3,788'

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

11. NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [X] PULL OR ALTER CASING [] OTHER: []

SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: []

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103.

Yates Petroleum Corporation respectfully requests permission to drill the 11" intermediate hole to a depth of approximately 1,400'. If lost circulation is encountered, 8 5/8" casing will be set. If lost circulation is not encountered, the hole size will be reduced to 7 7/8" and drilled to a total depth of 6,950' where 5 1/2" casing will be set and cemented.

Thank you,

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

SIGNATURE Jeremiah Mullen TITLE Drilling Engineer Asst. DATE 06/23/03
TYPE OR PRINT NAME Jeremiah Mullen TELEPHONE NO. (505)-748-4378

APPROVED BY [Signature] TITLE District Supervisor DATE JUL 01 2003

CONDITIONS OF APPROVAL, IF ANY: