Submit 3 Copies To Appropriate District Office	State of New Mexico		Form C-103
<u>District I</u> 1625 N. Fre <u>nch D</u> r., Hobbs, NM 88240	Energy, Minerals and Natural Resources		May 27, 2004 YELL API NO.
District V and A Artesia, NM 88210	OIL CONSERVATION DIVISION		30-015-34929 Indicate Type of Lease
District 1000 Rio Brand Aztec, NM 87410	1220 South St. Francis Dr.		STATE FEE
District 1220 S. Sa T., Santa Fe, NM	Santa Fe, NM 87505		State Oil & Gas Lease No.
87505	IGEG AND DEPONES ON WELL		
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			Lease Name or Unit Agreement Name Manchester State Unit
PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other Month Year			Well Number
2. Name of Operator	Mor	26 200 9.	OGRID Number
Yates Petroleum Corporati	ion	_ P-	025575
3. Address of Operator 105 S. 4 th Street, Artesia,	NM 88210). Pool name or Wildcat Wildcat Mississippian
4. Well Location			
Unit Letter D :	760 feet from the Nor		***************************************
Section 20	Township 19S R 11. Elevation (Show whether D		MPM Eddy County
4062'GR			
Pit or Below-grade Tank Application or Closure Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water			
-		bbls; Constr	
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ REMEDIAL WORK ☐ ALTERING CASING ☐			
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRIL			NG OPNS. PLUG AND ABANDON
PULL OR ALTER CASING	MULTIPLE COMPL	CASING/CEMENT JO	DB
OTHER:		OTHER: Surface cas	
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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.			
4/6/07 – Resumed drilling at 10:00 AM. Lost returns at 125'. Did not regain returns. Unconsolidated hole at 145'. Attempted to make			
connection at 154' but could not work past. Cut window in conductor pipe and redi-mix down annulus. WOC.			
4/7/07 – Tagged cement at 95'. Drilled cement from 95'-154'. Lost returns at 140'. Worked past tight unconsolidated hole at 154'. Drilled to 182'. Pipe stuck at 182'.			
4/8/07 – Stuck pipe. Drilled to 216'. Pipe stuck at 216'. Worked pipe uphole to freepoint at 154'.			
4/9/07 – WOC. Worked through tight hole at 140'. TIH open-ended to 145'. Attempted to wash past 145'. Would not wash past. Cement plug #2 at 145' with 100 sx RFC. Tailed in with 200 sx "C" + 2% S1. Tagged TOC at 75'. WOC.			
4/10/07 – Drill cement plugs. Reamed and time drilled until clean.			
4/11/07 – TD 17-1/2" hole at 11:15 AM. Pumped frac gel sweep and ream hole clean. Set 13-3/8" 48# H-40 casing at 302'. Cemented with 150 sx RFC + 5#/sx D24 + 0.25#/sx D29 (yld 1.57, wt 14.4). Tailed in with 335 sx Class "C" + 2% S1 (yld 1.32, wt 14.8). NOTE:			
Hole bridged off 100 sx into tail cement. Attempted to drop plug and start displacement early. Stopped pumping due to pressure limits.			
• %			CONTINUED ON NEXT PAGE:
I haraby cortify that the information	Above is two and complete to the	host of my Impyylodge on	dholiof ve a great and the late
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .			
SIGNATURE (TITLE Regulat	ory Compliance Supervis	or DATE <u>April 19, 2007</u>
Type or print name Tina Huer	ta E-mail address	tinah@ypcnm.com	Telephone No505-748-1471
For State Use Only			DATE 4/26/67
APPROVED BY: Conditions of Approval (if any):	for record - NMOCD_TITLE_		DATE //26/67

Yates Petroleum Corporation Manchester State Unit #1 Section 20-T19S-R23E Eddy County, New Mexico



Form C-103 continued:

Calc 260' cement on backside. Cut window in casing for flowline and weld on flow nipple. Mike Bratcher (NMOCD-Artesia) was notified of operations and gave permission to 1" backside without running temperature survey.

4/12/07 – Cleaned out 13-3/8" casing with jackhammer. TIH with 1" and tagged cement at 125'. Cemented Stage 1 and 2 through 1". Brought TOC from 125'-124'. WOC. TIH with 1" and tagged cement at 77'. Cemented Stage 3 through 1". Brought cement from 77' to surface. Cement circulated to surface. WOC 35 hrs 45 min. Reduced hole and resumed drilling.

Regulatory Compliance Supervisor

April 19, 2007