

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobos, 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

Form C-103
 May 27, 2004

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

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| WELL API NO. 30-005-63943 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |

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| 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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | | 7. Lease Name or Unit Agreement Name Pigskin State Unit |
| 2. Name of Operator Yates Petroleum Corporation | SEP 04 2007 | 8. Well Number 1 |
| 3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210 | OCD-ARTESIA | 9. OGRID Number 025575 |
| 4. Well Location Unit Letter <u>B</u> : <u>660</u> feet from the <u>North</u> line and <u>1650</u> feet from the <u>East</u> line Section <u>14</u> Township <u>12S</u> Range <u>26E</u> NMPM <u>Chaves</u> County | | 10. Pool name or Wildcat Undesignated PreCambrian |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3696'GR | | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | | |

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

| | | | |
|--|--|---|--|
| NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/> | | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: 5' new hole <input checked="" type="checkbox"/> | |
|--|--|---|--|

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.

8/8/07 – TD 20' Made 5' new hole at 9:00 AM. Hole Size 12-1/4".

8/28/07 – TD 25'. Made 5' new at 8:00 AM. Hole size 12-1/4".

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 Tina Huerta TITLE Regulatory Compliance Supervisor DATE August 29, 2007

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only

APPROVED BY: _____ TITLE _____ DATE 9/13/07

Conditions of Approval (if any):