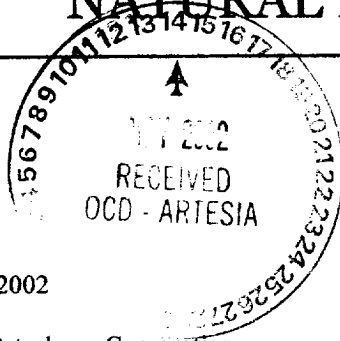


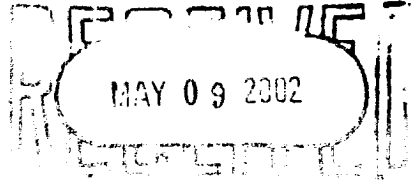


NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary



Lori Wrotenbery
Director
Oil Conservation Division



7 May 2002

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

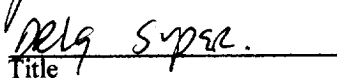
Form C-103 Report of Plugging for your Indian Hills ARG State # 1 M-36-21-24 API 30-015-27728
Cannot be approved until an NMOCD representative has made an inspection of the location and found it to
be cleared to comply with OCD rules and regulations. Please check each item in the space provided to
indicate that the work has been accomplished and the location is ready for final inspection.

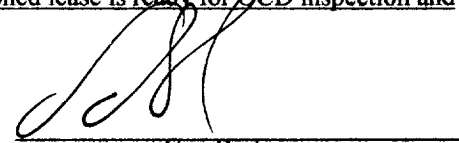
- ☒ 1. All pits have been filled and leveled.
- ☒ 2. Rat hole and cellar have been filled and leveled.
- ☒ 3. A steel marker 4" in diameter and approximately 4' above mean ground level has been set in
concrete to mark the exact location of the plugged well. (Marker must have operator name, lease name,
well number and location including quarter/quarter section or unit letter, section, township, range and API
well ID number permanently welded, stamped or otherwise engraved into the metal marker.)
- ☒ 4. The location has been leveled as nearly as possible to original top ground contour and has been
cleared of all junk and equipment.
- ☒ 5. The dead men and tie downs have been cut and removed.
- ☒ 6. If a one well lease or last remaining well on lease, the battery and burn pit locations have been
leveled and cleared of all junk & equipment.
- ☒ 7. All environmental concerns have been addressed as per OCD guidelines.

The above are minimum requirements and no plugging bond will be cancelled until all locations for
plugged and abandoned wells have been inspected and Form C-103 approved.

When all of the work outlined above has been done, please notify this office by completing, signing and
returning this letter to us so that our representative will not have to make more than one trip to the location.

I certify that the above work has been done and the above-mentioned lease is ready for OCD inspection and
approval.


Name

Title


Van Barton
Field Rep. II