State of New Mexico

Form C-103 Submit 3 Copies Energy, Minerals and Natural Resources Department Revised 1-1-89 to Appropriate District Office OIL CONSERVATION DIVISION WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-025-23043 Santa Fe, New Mexico 87504-2088 DISTRICT II P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease FEE L DISTRICT III
1000 Rio Brazos Rd., Aziec, NM 87410 6. State Oil & Gas Lease No. V - 4382SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS) 1. Type of Well: WELL | WELL X Champlin AQD State OTHER 8. Well No. 2. Name of Operator YATES PETROLEUM CORPORATION 9. Pool name or Wildcat 3. Address of Operator 105 South 4th St., Artesia, NM 88210 Bagley Permo Penn, North 4. Well Location F : 1980 Feet From The North 2130 Line Line and Feet From The Unit Letter __ 8 hip 11S Range 33E

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 11**S** 33E **NMPM** Township 4304 GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK **ALTERING CASING** PLUG AND ABANDONMENT **CHANGE PLANS** COMMENCE DRILLING OPNS. TEMPORARILY ABANDON CASING TEST AND CEMENT JOB **PULL OR ALTER CASING** OTHER: Resume drilling w/rotary tools OTHER: 12. 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. Resumed drilling a 4-3/4" hole with rotary tools at 3:30 AM 6-14-99. NOTE: Sylvia Dickey w/OCD-Hobbs via voice mail of resuming drilling.

Thereby certify that the information above is drugtend complete to the best of my knowledge and belief. SIGNATURE THE OPERATIONS Technician THE OPERATIONS TECHNICIAN	
(This space for State Use)	C. A. S.
ORIGINAL SIGNAL OF THE CARROWS DISTRICT OF THE CARROWS	DATE