

District II 1625 N. French Dr., Hobbs, NM 88240
District III 1301 W Grand Ave, Artesia, NM 88210
District IV 1000 R10 Brazos Rd., Aztec, NM 87410
1220 S St. Francis Dr., Santa Fe, NM 87505

RECEIVED

SEP 10 2008

HOBBS OCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-38888
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. V-5875
7. Lease Name or Unit Agreement Name Orbison State Unit
8. Well Number 2
9. OGRID Number 025575
10. Pool name or Wildcat Ranger Lake; Devonian, West

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 [] Gas Well [X] Other []

2. Name of Operator Yates Petroleum Corporation

3. Address of Operator 105 South Fourth Street, Artesia, NM 88210

4. Well Location Unit Letter J : 1650 feet from the South line and 1980 feet from the East line
Section 14 Township 12S Range 34E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4155' GR

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []

OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

OTHER: Spud & Surface Casing [X]

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.

- 8/30/08 Spudded well @ 9:00 a.m. Set 40' of 20" conductor. Cemented with Redi-mix. Notified Sylvia Dickey w/Hobbs OCD.
9/03/08 Resumed drilling @ 5:00 p.m.
9/04/08 Set 13-3/8" 48# J-55 csg @ 415'. Cemented w/250 sx "C" Neat (yld 1.34, wt 14.8). Tailed in w/200 sx Class "C" + 2% CaCl2 (yld 1.34, wt 14.8). Cement circulated to surface. WOC. Reduced hole to 11" and resumed drilling.

Spud Date: 8/30/08

Rig Release Date:

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

SIGNATURE Allison Barton TITLE Regulatory Compliance Technician DATE 9/05/08

Type or print name Allison Barton E-mail address: abarton@ypcnm.com PHONE: (575) 748-4385

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE SEP 12 2008

Conditions of Approval (if any):