

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, 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
 March 4, 2004

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

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| WELL API NO. 30-025-36672 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VO-5596 |
| 7. Lease Name or Unit Agreement Name Oak Ridge State Unit |
| 8. Well Number 1 |
| 9. OGRID Number 025575 |
| 4. Pool name or Wildcat Mississippian |

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 Other

2. Name of Operator
 Yates Petroleum Corporation

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

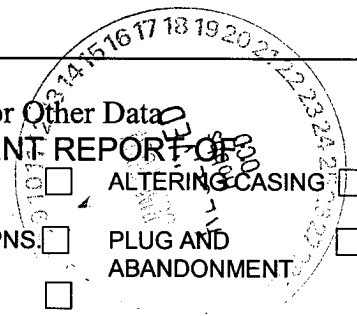
4. Well Location
 Unit Letter B : 680 feet from the North line and 1620 feet from the East line
 Section 17 Township 11S Range 34E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 4202' GR

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)
 Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
 Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng ;
 feet from the line and feet from the line

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

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| <p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p> | <p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <u>Spud. Surface Casing & Intermediate Casing</u> <input checked="" type="checkbox"/></p> |
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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.

5-11-04 Spudded rathole @ 9:15 a.m. Notified Sylvia Dickey w/Hobbs OCD. Set 40' of 20" conductor.

5-15-04 RURT and resumed drilling (17-1/2" hole). Drilled to 430' and set 13-3/8" 48# casing @ 430'. Cemented w/450 sx Class C w/additives. Circulated cement. WOC 26 hrs and 30 mins. Reduced hole to 12-1/4" and resumed drilling.

5-22-04 TD 12-1/4" hole @ 4:45 p.m. to 4208'. Set 9-5/8" 36# and 40# casing @ 4208'. Cemented w/1060 sx 35:65:6 POZ C w/additives. Tailed in w/200 sx Class C Neat. Cement circulated. WOC 51 hrs and 30 mins.. Reduced hole to 8-3/4" and resumed drilling.

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: Stormi Davis TITLE: Regulatory Compliance Technician DATE: 6-7-04

Type or print name: Stormi Davis E-mail address: Telephone No. 505-748-1471

(This space for State use)
 APPROVED BY: Ray W. Wink TITLE: OC FIELD REPRESENTATIVE II/STAFF MANAGER DAYTON 1 8 2004
 Conditions of approval, if any: