

Submit 3 Copies To Appropriate District
 Office
 District I
 1625 N. French Dr., Hobbs, NM 88201
 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

RECEIVED

APR 09 2009

HOBBSOCD

OIL CONSERVATION DIVISION

220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-005-21026	<input checked="" type="checkbox"/>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	<input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. LH-1648	
7. Lease Name or Unit Agreement Name Cactus Queen Unit	<input checked="" type="checkbox"/>
8. Well Number 3	<input checked="" type="checkbox"/>
9. OGRID Number 025513	<input checked="" type="checkbox"/>
10. Pool name or Wildcat SE Chaves Queen Gas Area Assoc	<input checked="" type="checkbox"/>

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 Drilling Company

3. Address of Operator
105 S. 4th Street, Artesia, NM 88210

4. Well Location
 Unit Letter N : 330 feet from the South line and 2310 feet from the West line
 Section 27 Township 12S Range 31E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4436' GR

Pit or Below-grade Tank Application or Closure

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

See Attachment

The Oil Conservation Division **Must be notified 24 hours prior** to the beginning of plugging operations.

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 Karen Leishman TITLE Operations Tech DATE 4/08/2009

Type or print name Karen Leishman E-mail address: Karen@yatespetroleum.com Telephone No. 505-748-8663

For State Use Only
 APPROVED BY: Maley Brown MSB DATE 04/13/2009

Conditions of Approval (if any):

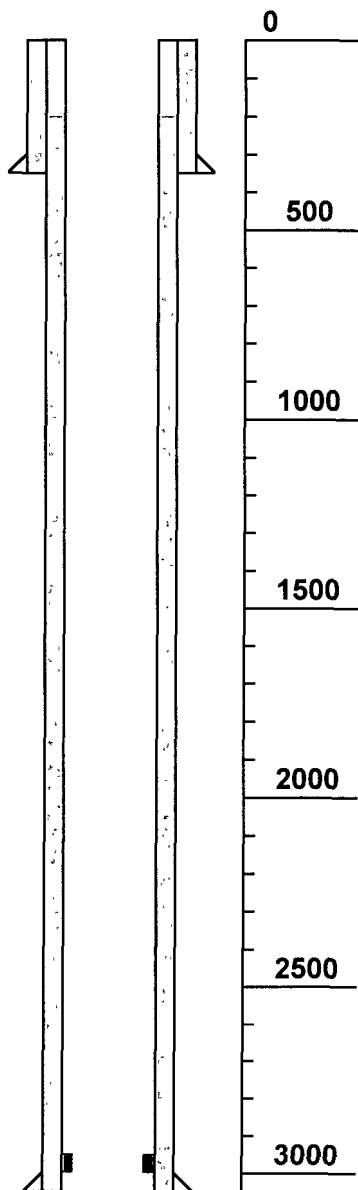
COMPLIANCE OFFICER

Yates Drilling Company
Cactus Queen Unit #03
Unit N, Section 27-12S-31E
Chaves County, NM
30-005-21026
Sundry attachment
April 8, 2009

1. Set CIBP @ 2,950', mix and circulate 10# mud inside $\frac{4}{8}$ " casing
2. Spot 25 sxs Class "C" cement plug on top of CIBP
3. Spot cement plug from 480' - 370' in $\frac{4}{8}$ " casing - WOC & TAG
4. Perforate $\frac{4}{8}$ " casing @ 200'. TOC 210'
5. Establish pump in rate. Mix class "C" cement plug and cement in $\frac{4}{8}$ " casing. Circulate cement out $\frac{4}{8}$ " annulus to surface
5. Erect dry hole marker, remove all equipment and clean location

SPOT 25 SXS CMT @ 2200' BOS
SPOT 25 SXS CMT @ 1400' TOS

CACTUS QUEEN UNIT #3
(Apache 27 State #1)
Sec 27, T12S-R31E CHAVES CO., NM
30-005-21026



Est Top of Cement 210'

12-1/4" hole, 8-5/8" 24# csg @ 422'
 cement w/250 sxs circ 50 sxs

Perfs 2984'-2991'

7-7/8" hole, 4-1/2" 10.5# K-55 csg @ 3150'
 cement w/575 sxs

TD 3150'
 PBTD 3080'

Perfs
 2984'-2991' 2 SPF Queen

Formation Tops
 1412' Rustler Top of Salt
 2100' Base of Salt
 2221' Yates
 2359' 7-Rivers
 2960' Queen