

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103
Permit 23023

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL API NUMBER

30-015-34352

5. Indicate Type of Lease

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6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

TUCO BHE STATE COM

8. Well Number

001

9. OGRID Number

25575

10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:G

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address of Operator

105 S 4TH ST , ARTESIA , NM 88210

4. Well Location

Unit Letter 1 : 1100 feet from the N line and 660 feet from the E line
Section 2 Township 21S Range 22E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

4063 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:

PERFORM REMEDIAL WORK PLUG AND ABANDON TEMPORARILY ABANDON CHANGE OF PLANS PULL OR ALTER CASING MULTIPLE COMPL

Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTER CASING COMMENCE DRILLING OPNS. PLUG AND ABANDON CASING/CEMENT JOB Other: **Drilling/Cement**

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.

1/18/06 Set 9-5/8" 36# J-55 casing at 1725'. Cemented with 250 sx Class "H" + 10% A-10 + .25#/sx Cellophane flakes + 10#/sx LCM-1 + 1% CaCl2 (yld 1.52, wt 14.6) and 700 sx 35:65:6 Poz "C" + .25#/sx Cellophane flakes + 5#/sx LCM-1 + 2% CaCl2 (yld 1.98, wt 12.5). Tailed in with 200 sx class "C" + 1% CaCl2 (yld 1.34, wt 14.8). WOC. Cement did not circulate. Ran temperature survey - TOC 300'. Ran 1" cement to surface with 295 sx Class "C" cement. Tested casing to 1500 psi for 30 min. WOC 48 hrs 45 min. Reduced hole and resumed drilling. 1/7/2006 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
	Surf		17.5	13.375	48		0	385	580						
	Int1		12.25	9.625	36		0	1725	1445						

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 Electronically Signed

TITLE Regulatory Agent

DATE 2/8/2006

Type or print name Debbie Caffall

E-mail address debbiec@ypcnm.com

Telephone No. 505-748-4376

For State Use Only:

APPROVED BY: Bryan Arrant

TITLE Geologist

DATE 2/8/2006 1:59:06 PM