

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

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

WELL API NUMBER
30-025-383935. Indicate Type of Lease
S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
MERLE STATE UNIT8. Well Number
0139. 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: O

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address of Operator

105 S 4TH ST , ARTESIA , NM 88210

4. Well Location

Unit Letter M : 990 feet from the S line and 330 feet from the W line
Section 11 Township 10S Range 34E NMPM Lea County

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

4190 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.

7-30-07 TD 11" hole to 4165'. Set 8-5/8" 24# and 32# casing @ 4165'. Cemented w/960 sx Halliburton Lite and tailed in w/200 sx Class "C". Cement circulated to surface. WOC 40 hrs, 45 mins. Reduced hole to 7-7/8" and resumed drilling 7/22/2007 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
07/27/07	Surf		14.75	11.75	42	H40	0	430	260		C				
07/31/07	Int1		11	8.625	32	J55	0	4165	1160		C				

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

DATE 8/6/2007

Type or print name Shirley Pruitt

E-mail address shirleyp@ypcnm.com

Telephone No. 505-748-4356

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 8/7/2007 7:30:54 AM