

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
 Revised March 25, 1999

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

WELL API NO. 30-015-22889
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3346
7. Lease Name or Unit Agreement Name: Loving AIB State #1
8. Well No. 1
9. Pool name or Wildcat Loving/Brushy Canyon

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 G : 1550' feet from the North line and 1780' feet from the East line
 Section 16 Township 23S Range 28E NMPM Eddy County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Surface/Pool Commingle. <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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12. 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 recompilation.

Yates Petroleum Corporation respectfully request administrative approval to Surface/Pool Commingle the following wells;

STATE Loving AIB State #1 Sec 16-T23S-R28E Loving/Brushy Canyon Eddy County, NM State Lease # V-3346 API# 30-015-22889	STATE Loving AIB State #2 Sec 16-T23S-R28E Loving/Brushy Canyon Eddy County, NM State Lease # V-3346 API# 30-015-26497	STATE Loving AIB State #4 Sec 16-T23S-R28E Loving/Brushy Canyon Eddy County, NM State Lease # V-3346 API# 30-015-34732	STATE Loving AIB State #5 Sec 16-T23S-R28E Loving/Brushy Canyon Eddy County, NM State Lease # V-3346 API# 30-015-34733
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7 wells

STATE Loving AIB State #7 Sec 16-T23S-R28E Culebra Bluff; Bone Spring, South Eddy County, NM State Lease # V-3346 API# 30-015-37126	STATE Loving AIB State #15 Sec 16-T23S-R28E Loving/Brushy Canyon Eddy County, NM State Lease # V-3346 API# 30-015-35437	STATE Loving AIB State #16 Sec 16-T23S-R28E Loving/Brushy Canyon Eddy County, NM State Lease # V-3346 API# 30-015-35449
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PC-1227

Recommend Approval by [Signature] 10/03/10

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

SIGNATURE Mayte Reyes TITLE Production Secretary DATE September 20, 2010

Type or print name Mayte Reyes Telephone No. (505) 748-4213

(This space for State use)

* APPROVED BY [Signature] TITLE Div. Director DATE 10/3/10

Conditions of approval, if any: