Submit 3 Copies To Appropriate District Office

District I
1025 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

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

Form C-103
Revised June 10, 2003

| WELL API NO. |
| 30-005-63590 |

5. Indicate Type of Lease
STATE [X]   FEE [ ]

6. State Oil & Gas Lease No.

VO-5534

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 [X]   Other   **RECEIVED**

2. Name of Operator
Yates Petroleum Corporation

MAR 3 1 2004

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

OCD-ARTESIA

7. Lease Name or Unit Agreement Name

Value BCV State Com

8. Well Number
1

9. OGRID Number
025575

10. Pool name or Wildcat
Undes. Foor Ranch Pre-Permian, North

4. Well Location

Unit Letter O : 990 feet from the South line and 1980 feet from the East line

Section 2 Township 8S Range 26E NMPM Chaves County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3827'GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]	MULTIPLE COMPLETION [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER: [ ]		OTHER: Spud	[X]

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.

3/23/04 – Resumed drilling at 4:30 PM.
3/25/04 – Set 9-5/8" 36# J-55 casing at 1112'. Cemented with 700 sx 35:65 Poz "C" with additives. Tailed in with 200 sx "C" with additives. Cement circulated to surface. WOC 18 hrs 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.

SIGNATURE: _Tina Huerta_   TITLE: Regulatory Compliance Supervisor   DATE: March 30, 2004

Type or print name Tina Huerta   E-mail address: tinah@ypcnm.com   Telephone No. 505-748-1471

(This space for State use)

APPPROVED BY _____ **FOR RECORDS ONLY** TITLE _____ DATE _____

Conditions of approval, if any: List amount of cement