

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

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

Form C-103

May 27, 2004

WELL API NO. 30-015-33335
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. V-4100
7. Lease Name or Unit Agreement Name Jacque AQJ State
8. Well Number 7
9. OGRID Number 025575
10. Pool name or Wildcat Lost Tank Delaware, West

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 [X] Gas Well [] Other [] RECEIVED

2. Name of Operator Yates Petroleum Corporation MAR 08 2005

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

4. Well Location Unit Letter C : 990 feet from the North line and 1650 feet from the West line Section 34 Township 21S Range 31E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3472'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 PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []

OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] PLUG AND ABANDON []
CASING/CEMENT JOB []

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.

3/1/05 - Spudded well at 10:30 AM. Set 40' of 20" conductor.

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 Tina Huerta TITLE Regulatory Compliance Supervisor DATE March 7, 2005

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

For State Use Only

APPROVED BY: FOR RECORDS ONLY TITLE DATE MAR 09 2005

Conditions of Approval (if any):