Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office , May 27, 2004 Energy, Minerals and Natural Resources District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 30-015-34144 District II OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr. District III STATE 🖂 FEE \square 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 6. State Oil & Gas Lease No. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 V-2480 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (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 Marathon AGI State PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well Gas Well Other 2-H RECEIVED 2. Name of Operator 9. OGRID Number Yates Petroleum Corporation 025575 SEP 2 0 2005 3. Address of Operator 10. Pool name or Wildcat QQU-MITESIA 105 S. 4th Street, Artesia, NM 88210 Collins Ranch; Wolfcamp 4. Well Location 660 Surface 660 feet from the North line and feet from the West D line BHL N 660 South 1980 West Section 33 Township 17S Range **NMPM** Eddy County 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3818'GR Pit or Below-grade Tank Application or Closure _____ Depth to Groundwater _____ Distance from nearest fresh water well ____ Distance from nearest surface water mil Pit Liner Thickness: Below-Grade Tank: Volume bbls: Construction Material 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 П ALTERING CASING □ REMEDIAL WORK **TEMPORARILY ABANDON** CHANGE PLANS COMMENCE DRILLING OPNS.□ PLUG AND ABANDON PULL OR ALTER CASING MULTIPLE COMPL CASING/CEMENT JOB OTHER: Spud, surface casing 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. 9/13/05 - Spudded 26" conductor hole at 8:15 AM. Set 40' of 20" conductor. 9/16/05 - Resumed drilling at 7:45 PM. 9/17/05 - Set 13-3/8" 48# H-40 ST&C 8rd casing at 380'. Cemented with 200 sx "H" + A-10 + LCM + Celloflake + CaCl (yld 1.51, wt 14.6). Tailed in with 400 sx "C" + 2% CaCl2 + 1/4# Celloflake (yld 1.35, wt 14.8). Cement did not circulate. WOC 6 hrs. Ran 1" cement to surface with 100 sx Class "C" Neat. Tested casing to 600 psi for 30 min. WOC 20 hrs 15 min. Reduced hole to 12-1/4" and resumed drilling. 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 belowgrade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan . SIGNATURE TITLE Regulatory Compliance Supervisor DATE September 20, 2005 Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471 For State Use Only FOR RECORDS ONLY DASEP 2 2 2005 APPROVED BY:

Conditions of Approval (if any):