

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 South First, 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 March 25, 1999

WELL API NO.
 30-005-60615

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 L-4283

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.)

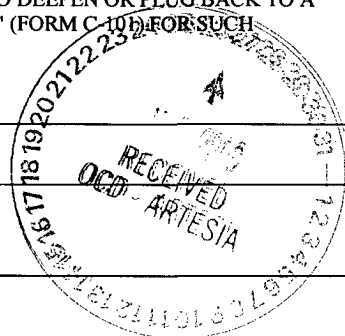
1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Yates Petroleum Corporation

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

4. Well Location
 Unit Letter B : 660 feet from the North line and 1980 feet from the East line
 Section 36 Township 6S Range 25E NMPM Chaves County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3752' GR



7. Lease Name or Unit Agreement Name:
 Cottonwood Ranch MK State

8. Well No.
 1

9. Pool name or Wildcat
 Pecos Slope Abo/Cottonwood Ranch Penn

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

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

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.

The surface valve has been opened. This well is now surface commingled:

Pecos Slope Abo Oil 0%
 Gas 96%
 Water 0%

Cottonwood Ranch Penn Oil 100%
 Gas 4%
 Water 100%

This well is now producing from the Pecos Slope Abo and the Cottonwood Ranch Penn.

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 26, 2003

Type or print name Tina Huerta Telephone No. 505-748-1471
 (This space for State use)

APPROVED BY Jim W. Brown TITLE District Supervisor DATE MAR 28 2003
 Conditions of approval, if any: