

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
 May 27, 2004

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

WELL API NO. 30-015-23599
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Humidor SWD
8. Well Number 3
9. OGRID Number 025575
10. Pool name or Wildcat Black River; Morrow, South

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 RECEIVED

2. Name of Operator
Yates Petroleum Corporation JUL 26 2006

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

4. Well Location
Unit Letter E : 1980 feet from the North line and 960 feet from the West line
 Section 14 Township 24S Range 27E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3164'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:		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 ABANDON <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Re-entry procedures and Completion Operations <input checked="" type="checkbox"/>	

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.

4/27/06 – TIH with 9-5/8" bit and DC's and drill pipe down to 2400'. Circulated hole and cleaned.
 4/28/06 – Tagged stub at 4866'. Dressed off 2' of stub shoe. POOH with shoe.
 5/3/06 – Run 1 – 9' slip joint and 113 joints of 7-5/8" 26.4# N-80 and J-55 casing. Slip over stub at 4871'. Cemented with 325 sx and 900 sx Super "H". WOC 48 hrs.
 5/8/06 – Tagged cement at 4734'. Cleaned out to 4925' and fell out of cement. Test to 500 psi, held OK.
 5/9/06 – Tagged plug at 5612'. Drilled off junk and cleaned out cement down to 5830'. Fell out of cement. Circulated hole clean.
 5/10/06 – Ran bit down to 7100'. Tagged cement and drilled out. Drilled through plug #3 down to 9427'. Circulated hole clean.
 5/11/06 – Drilled cement down to top of 5" liner at 9755'.
 5/17/06 – Cleaned out from 9907' down to 10,808'. Drilled through CIBP's down to 12,841'. Circulated hole clean. Cleaned out float collar at 12,841'.
 5/30/06 – Perforate Morrow 11,780'-11,790' (60), 12,200'-12,210' (60), 12,254'-12,258' (24), 12,276'-12,278' (12), 12,294'-12,302' (48), 12,354'-12,360' (36), 12,626'-12,630' (24) and 12,804'-12,810' (36).

CONTINUED ON NEXT PAGE:

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 NMOC guidelines , a general permit or an (attached) alternative OCD-approved plan .

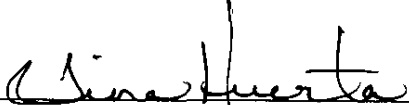
SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE July 21, 2006
 Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only APPROVED BY: _____ TITLE _____ DATE JUL 26 2006
FOR RECORDS ONLY
 Conditions of Approval (if any): _____

Yates Petroleum Corporation
Humidor SWD #3
Section 14-T24S-R27E
Eddy County, New Mexico

Form C-103 Continued:

6/1/06 – Set RBP at 11,322’.
6/9/06 – Acidize Morrow 11,220’-11,244’ with 1750g 7-1/2% Morrow acid.
6/13/06 – Squeezed Morrow 11,220’-11,244’ with 50 sx cement.
6/16/06 – Released RBP and moved down hole to 12,820’ and set.
6/22/06 – Acidize Morrow 11,780’-12,578’ with 5500g 7-1/2% Halliburton Clay Safe “H” Type acid with 1000 SCF/bbls N2.
6/26/06 – Released RBP.
6/27/06 – Set a 5” 18# 10K composite plug at 11,668’. Perforate Morrow 11,352’-11,378’ (157). Acidize with 1300g 15% BJ Isosol Type acid.
7/5/06 – Frac Morrow 11,352’-11,378’ with 22,120g 40 Purgel 55Q CO2 foam with 40K 18/40 Versaprop.


Regulatory Compliance Supervisor
July 21, 2006