<u>District I</u> State of New Mexico Form C-103 1625 N. French Dr., Hobbs, NM 88240 Permit 21753 Energy, Minerals and Natural Resources Phone:(505) 393-6161 Fax:(505) 393-0720 WELL API NUMBER Oil Conservation Division 1301 W. Grand Ave., Artesia, NM 88210 30-015-34246 Phone:(505) 748-1283 Fax:(505) 748-9720 1220 S. St Francis Dr. Santa Fe, NM 87505 Indicate Type of Lease 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 1220 S. St Francis Dr., Santa Fe, NM 87505 State Oil & Gas Lease No. Phone:(505) 476-3470 Fax:(505) 476-3462 7. Lease Name or Unit Agreement Name SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO SQUIRES ALR A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number PROPOSALS.) 002 Type of Well: () 9. OGRID Number 2. Name of Operator VATES PETROLELIM CORPORATION 25575 3. Address of Operator 10. Pool name or Wildcat. 105 S 4TH ST, ARTESIA, NM 88210 4. Well Location 2050 S 330 E Unit Letter feet from the line and feet from the line 24S 30E Range NMPM Eddy Section Township County Elevation (Show whether DR, KB, BT, GR, etc.) 3536 GR Pit or Below-grade Tank Application or Closure __ Depth to Groundwater_ Distance from nearest fresh water well_ Distance from nearest surface water_ Pit Type Below-Grade Tank: Volume_ bbls; Construction Material Pit Liner Thickness: mil Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: ALTER CASING PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ REMEDIAL WORK TEMPORARILY ABANDON | CHANGE OF PLANS PLUG AND ABANDON | COMMENCE DRILLING OPNS. | PULL OR ALTER CASING ™ MULTIPLE COMPL CASING/CEMENT JOB Other Other: Drilling/Cement × 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. 1/7/06 Set 13-3/8" 48# H-40 casing at 648". Cemented with 350 sx and tailed in with 200 sx Halliburton Premium Plus. Tagged cement at 602". Tested casing to 600 psi. WOC 27 hrs 30 min. Reduced hole to 11" and resumed drilling. 1/13/06 Set 8-5/8" 24#, 32# J-55 casing at 4102'. Cemented with 920 sx Halliburton Lite Premium Plus "C" + 2% CaCl + .375#/sx Flocele (yld 1.98, wt 12.5). Tailed in with 200 sx Premium "C" + 2% CaCl2 (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 1500 psi for 30 min. WOC 26 hrs 45 min. Reduced hole and resumed drilling 1/2/2006 Spudded well. Casing and Cement Program Hole Csg Weight Est Dpth Pres Pres Open String Date Grade Sacks Yield Class Туре Size Size Ib/ft TOC Set Doth Held Drop 13,375 48 648 Surf 17.5 602 550 Int1 8.625 24 0 4102 1120 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 pennit or an (attached) alternative OCD-approved plan . TITLE Regulatory Agent SIGNATURE Electronically Signed DATE 1/20/2006

E-mail address debbiec@ypcnm.com

TITLE Geologist

Telephone No. 505-748-4376

DATE 1/20/2006 11:16:13 AM

Type or print name Debbie Caffall

Bryan Arrant

For State Use Only: APPROVED BY: