| District I<br>1625 N. French Dr., Hobbs, NM 88240   | State of New Mexico |  | Form C-103<br>Permit23112            |
|---|---------------------|--|--------------------------------------|
| Phone:(505) 393-6161 Fax:(505) 393-0720   |                     |  | es                                   |
| Oil Conservation Division   |                     | WELL API NUMBER                            |                                      |
| 1301 W. Grand Ave., Artesia, NM 88210<br>Phone: (505) 748-1283 Fax: (505) 748-9720<br>1220 S. St Francis Dr.  |                     | St Francis Dr.                             | 30-015-30637                         |
| District III  |                     |  |                                      |
| 1000 Rio Brazos Rd., Aziec, NM 87410<br>Phone:(505) 334-6178 Fax:(505) 334-6170   | Santa               | Fe, NM 87505                               | 5. Indicate Type of Lease S          |
| District IV   |                     |  | 3                                    |
| 1220 S. St Francis Dr., Santa Fe, NM 87505<br>Phone:(505) 476-3470 Fax:(505) 476-3462   |                     |  | 6. State Oil & Gas Lease No.         |
| 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 DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH  |                     |  |                                      |
| PROPOSALS.)   |                     |  | 8. Well Number                       |
| 1. Type of Well:O   |                     |  | 004A                                 |
| 2. Name of Operator YATES PETROLEUM CORPORATION   |                     |  | 9. OGRID Number<br>25575             |
| 3. Address of Operator  |                     |  | 10. Pool name or Wildcat             |
| 105 S 4TH ST , ARTESIA , NM 88210   |                     |  |                                      |
| 4. Well Location  | 200                 | 000000                                     | Name of the second                   |
| Unit Letter D : 990 feet from t   | he N line an        | nd 330 feet from t                         | the W line                           |
| Section 34 Township   | 21S F               | tange 31E N                                | MPM Eddy County                      |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)  3458 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 PERFORM REMEDIAL WORK PLUG TEMPORARILY ABANDON CHAN   |                     | [ [ - 1] - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - | UENT REPORT OF:  ALTER 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.  |                     |  |                                      |
| 2/7/2006 Spudded well.  |                     |  |                                      |
| 2/7/06 Spudded well at 1:00 PM. Set 40' of 20" conductor.   |                     |  |                                      |
| Thereby 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 Electronically Signed TITLE Regulatory Agent DATE 2/8/2006 |                     |  |                                      |
| Type or print name Debbie Caffall E-mail address debbiec@ypcnm.com Telephone No. 505-748-4376   |                     |  |                                      |
| For State Use Only:   |                     |  |                                      |
| APPROVED BY: Bryan Arrant   | TITLE Ge            | ologist                                    | DATE 2/9/2006                        |