

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
Permit 28830

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| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: <input type="radio"/> | | WELL API NUMBER 30-025-37561 |
| | | 5. Indicate Type of Lease S |
| | | 6. State Oil & Gas Lease No. |
| 2. Name of Operator YATES PETROLEUM CORPORATION | | 7. Lease Name or Unit Agreement Name YARROW BHY STATE |
| 3. Address of Operator 105 S 4TH ST , ARTESIA , NM 88210 | | 8. Well Number 001 |
| 4. Well Location Unit Letter <u>A</u> : <u>990</u> feet from the <u>N</u> line and <u>990</u> feet from the <u>E</u> line Section <u>32</u> Township <u>23S</u> Range <u>33E</u> NMPM Lea County | | 9. OGRID Number 25575 |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.) 3672 GR. | | 10. Pool name or Wildcat |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
CASING/CEMENT JOB ☐
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.
2-26-06 MIRT and resumed drilling. Drilled 17-1/2" hole to 433'. Set 13-3/8" 48# casing @ 720'. Cemented w/360 sx Halliburton Lite w/additives. Tailed in w/200 sx. Cement circulated. WOC 18 hrs, 45 mins. Reduced hole to 11" and resumed drilling. Drilled to 5150' and set 8-5/8" 32# casing @ 5150'. Cemented w/1260 sx Halliburton Premium Plus w/additives and tailed in w/200 sx. Cement circulated. WOC 27 hrs. Reduced hole to 7-7/8" and resumed drilling. **2/20/2006** Spudded well.

Casing and Cement Program

| Date | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Dpth Set | Sacks | Yield | Class | 1" Dpth | Pres Held | Pres Drop | Open Hole |
|----------|--------|------------|-----------|----------|--------------|-------|---------|----------|-------|-------|-------|---------|-----------|-----------|-----------|
| 02/28/06 | Surf | | 17.5 | 13.375 | 48 | H40 | 0 | 720 | 560 | | | | | | |
| 03/04/06 | Int1 | | 11 | 8.625 | 32 | | 0 | 5150 | 1460 | | | | | | |

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 permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE Regulatory Tech

DATE 5/1/2006

Type or print name dusty bean

E-mail address dustyb@ypcnm.com

Telephone No. 505-748-4364

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 5/2/2006 7:18:48 AM