<u>District I</u> State of New Mexico Form C-103 1625 N. French Dr., Hobbs, NM 88240 Permit 36407 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 30-015-34865 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 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 POKER BIX A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number PROPOSALS.) 001 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 330 330 W Unit Letter Ν feet from the line and feet from the line 24S 31E NMPM Eddy Section Township Range County Elevation (Show whether DR, KB, BT, GR, etc.) 3562 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 bbls; Construction Material Pit Liner Thickness: Below-Grade Tank: Volume_ mil Check Appropriate Box to Indicate Nature of Notice, Report or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: 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 X 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. 7/19/06 Set 72' of 20" conductor (not 40' of 16" as previously reported) and cemented with 221 sx Class "C" + 2% S1 (yld 1.99, wt 14.8). Cement circulated to surface. 7/24/06 Resumed drilling at 1:00 PM. 7/25/06 Set 13-3/8" 48# H-40 casing at 732'. Cemented with 100 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 8#/sx D24 + 3% S1 (yld 1.99, wt 12.7) and 480 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 6% D20 + 5#/sx D24 + 3% S1 (yld 1.99, wt 12.6). Tailed in with 200 Class "C" + 2% S1 (yld 1.32, wt 14.8). Cement circulated to surface. Tested casing to 600 psi for 30 min. WOC 22 hrs 30 min. Reduc7/17/2006 Spudded well. Casing and Cement Program. Csa Weight Pres Open Fluid Hole Est Dpth Pres Date String Grade Sacks Yield Class Туре Size Size Ib/ft TOC Set Doth Held Drop Hole 07/25/06 Surf 17.5 13.375 48 732 780 0 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 beenAvill be constructed or closed according to NMOCD guidelines 🗐 , a general permit 🗀 or an (attached) alternative OCD-approved plan 🛚 SIGNATURE Electronically Signed TITLE DATE 8/16/2006

TITLE Geologist

E-mail address shirleyp@ypcnm.com Telephone No. 505-748-4356

DATE 8/17/2006 9:18:15 AM

Type or print name Shirley Pruitt

Bryan Arrant

For State Use Only: APPROVED BY: **Drilling Comments**

OGRID: [25575] YATES PETROLEUM CORPORATION

Permit Number: 36407 Permit Type: Drilling

Created By	Comment	Comment Date
TINAH	Submitted by Tina Huerta, Regulatory Compliance Supervisor	8/16/2006