

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 70027

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.)<br>1. Type of Well:G<br>2. Name of Operator<br>YATES PETROLEUM CORPORATION<br>3. Address of Operator<br>105 S 4TH ST , ARTESIA , NM 88210<br>4. Well Location<br>Unit Letter <u>N</u> : <u>660</u> feet from the <u>S</u> line and <u>1980</u> feet from the <u>W</u> line<br>Section <u>2</u> Township <u>10S</u> Range <u>32E</u> NMPM <u>Lea</u> County |  | WELL API NUMBER<br>30-025-38390 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | 5. Indicate Type of Lease<br>S  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | 6. State Oil & Gas Lease No.    |
| 7. Lease Name or Unit Agreement Name<br>MESCALERO ARL STATE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |                                 |
| 8. Well Number<br>003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                                 |
| 9. OGRID Number<br>25575                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                 |
| 10. Pool name or Wildcat                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                 |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>4280 GR.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                 |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>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.  
2-17-08 TD 11" hole to 3503'. Set 8-5/8" 24# and 32# casing @ 3500'. Cemented w/1000 sx Class "C" and tailed in w/200 sx. Cement circulated. WOC 32 hrs, 15 mins. Reduced hole to 7-7/8" and resumed drilling. 2/7/2008 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 |
|----------|--------|------------|-----------|----------|--------------|-------|---------|----------|-------|-------|-------|---------|-----------|-----------|-----------|
| 02/13/08 | Surf   |            | 14.75     | 11.75    | 42           | H40   | 0       | 431      | 380   |       | C     |         |           |           |           |
| 02/18/08 | Int1   |            | 11        | 8.625    | 32           | J55   | 0       | 3500     | 1200  |       | C     |         |           |           |           |

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 DATE 2/26/2008  
Type or print name Monti Sanders E-mail address montis@ypcnm.com Telephone No. 575-748-4244

**For State Use Only:**

APPROVED BY: Chris Williams TITLE District Supervisor DATE 2/27/2008 10:05:24 AM