

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 97054

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.)		WELL API NUMBER 30-005-64110
1. Type of Well: G		5. Indicate Type of Lease S
2. Name of Operator YATES PETROLEUM CORPORATION		6. State Oil & Gas Lease No.
3. Address of Operator 105 S 4TH ST, ARTESIA, NM 88210		7. Lease Name or Unit Agreement Name DICE BHD STATE COM
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>N</u> line and <u>660</u> feet from the <u>W</u> line Section <u>10</u> Township <u>10S</u> Range <u>26E</u> NMPM <u>Chaves</u> County		8. Well Number 003
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3827 GR		9. OGRID Number 25575
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 _____		10. Pool name or Wildcat

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.

5/20/09 Resumed drilling at 8:30 PM(left voicemail message NMOCD-Artesia).

5/21/09 TD 12-1/4" hole to 1128 at 8:00 PM. Set 8-5/8" 24# J-55 ST&C casing at 1128'. Notified NMOCD-Artesia via voicemail of intent to cement. Cemented with 100sx RFC + 5#/sx D024 + 0.125#/sx D130 + 94#/sx D901 + 1.88#/sx S1 + 9.4#/sx D153 (yld 1.62,wt 14.2) and 350sx "C" + 3.76#/sx D20 + 64#/sx D903 + 1.88#/sx S1 + 0.188#/sx D46 (yld 2.08,wt 12.6). Tailed in with 200 sx "C" + 94#/sx D903 + 0.94#/sx S1 (yld 1.32,wt 14.8). Circ. 10 sx to pit. Tested casing to 1500psi for 30 min. Reduced hole, resumed drilling.5/15/2009 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
05/21/09	Surf		12.25	8.625	24		0	1128	650						

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 Monti Sanders TITLE Montis@yatespetroleum.com DATE 6/9/2009
 Type or print name Monti Sanders E-mail address montis@yatespetroleum.com Telephone No. 575-748-4244

For State Use Only:

APPROVED BY: Jacqueta Reeves TITLE District Geologist DATE 6/10/2009 7:48:28 AM