

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
March 4, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-32044
5. Indicate Type of Lease STATE XX FEE
6. State Oil & Gas Lease No. V-120
7. Lease Name or Unit Agreement Name Medano VA State
8. Well Number 10
9. OGRID Number 025575
10. Pool name or Wildcat Los Medanos Delaware

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well:
Oil Well ☒ Gas Well ☐ Other ☐

RECEIVED

2. Name of Operator
Yates Petroleum Corporation

JAN 04 2005

3. Address of Operator
105 South 4th Street, Artesia, New Mexico, 88210

OCD:ARTESIA

4. Well Location

Unit Letter: J : 1650' feet from the South line and 1650' feet from the East line

Section 16 Township 23S Range 31E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3379' GR

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL J Sect 16 Twp 23S Rng 31E Pit type Drilling Depth to Groundwater N/A Distance from nearest fresh water well N/A

Distance from nearest surface water N/A Below-grade Tank Location UL Sect Twp Rng ;

 feet from the line and feet from the line

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 PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐ XX CHANGE OF LOCATION.

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER:

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.

Yates Petroleum Corporation wishes to move the captioned well location from 1650' FSL and 2310' FEL to 1650' FSL and 1650' FEL.
Yates Petroleum Corporation's general plan for drilling pits was approved by OCD on April 15, 2004.
Please note attached survey plat.
Thank you.

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 Debbie L. Caffall TITLE Regulatory Technician/Land Department DATE January 3, 2004

Type or print name: Debbie L. Caffall E-mail address: debbiec@ypcnm.com Telephone No. (505) 748-4371

(This space for State use)

APPROVED BY TIM W. GUM TITLE DISTRICT II SUPERVISOR
Conditions of approval, if any

DATE JAN 19 2005

NOTIFY OCD TO WITNESS
ALL CASING STRINGS



Mosaic Potash Carlsbad Inc.
PO Box 71
1361 Potash Mines Road
Carlsbad, NM 88220
www.mosaicco.com

Tel 505-887-2871
Fax 505-887-0589

RECEIVED

JAN 18 7:05

MAIL ROOM

January 13, 2005

Mr. Cy Cowan
Regulatory Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210-2118

Dear Mr. Cowan:

We are in receipt of your letter dated 1/3/04 concerning an APD for a well in Section 16, T-23-S, R-31-E. Mosaic Potash Carlsbad Inc. does have a potash lease that includes all of Section 16.

Your current request is to move the site of Medano VA State #10 from 1650' FSL & 2310' FEL to 1650' FSL & 1650' FEL. This location is within ¼ mile of our LMR but just outside the enclave as drawn by the BLM. This location however has been greatly compromised by previous drilling in the area. Therefore Mosaic does not object to this location for an oil test well.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider this "no objection" to this location to be valid for one year only. If you are still considering this well location at a date later than one year from today, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Mosaic Potash submits this letter in lieu of the forms requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Morehouse". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dan Morehouse
Mine Engineering Superintendent

cc: Don Purvis David Waugh

MARTIN YATES, III
1912 - 1985,
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

WY
S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

January 3, 2005

Mosaic Potash Carlsbad, Inc.
P.O. Box 71
Carlsbad, New Mexico 88220

Attention: Mr. Dan Morehouse, Mine Engineering Superintendent

RE: Medano VA State #10
Section 16: Township 23 South, Range 31 East
1650' FSL and 1650' FEL
Eddy County, New Mexico

RECEIVED

JAN 04 2005

000-ARTESIA

Dear Mr. Morehouse:

Please be advised that Yates Petroleum Corporation has moved the well location for the captioned from 1650' FSL and 2310' FEL to 1650' FSL and 1650' FEL. Previous correspondence with Mosaic dated November 4, 2004 indicated you did not have a problem with our original location. We are still planning to drill this well to a total depth of 7,850' or 100' below the base of the Bone Spring Formation in the very near future. Therefore, once again we respectfully request that you waive any objections you may have to this proposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Your favorable consideration of this request will again be greatly appreciated. Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Cy Cowan
Regulatory Agent

☐ NO OBJECTION OFFERED
Mosaic Potash Carlsbad, Inc.

By: _____

Title: _____

Date: _____

☐ OBJECTION OFFERED
Mosaic Potash Carlsbad, Inc.

By: _____

Title: _____

Date: _____

DISTRICT I

1000 E. French Av., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Pecos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87506

STATE OF NEW MEXICO

Energy, Minerals and Natural Resources Department

Revised March 17, 1989

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32044	Pool Code	Pool Name Los Medano Delaware
Property Code 12553	Property Name MEDANO "VA" STATE	Well Number 10
OOBID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3379

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
J	18	23S	31E		1650	SOUTH	1650	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

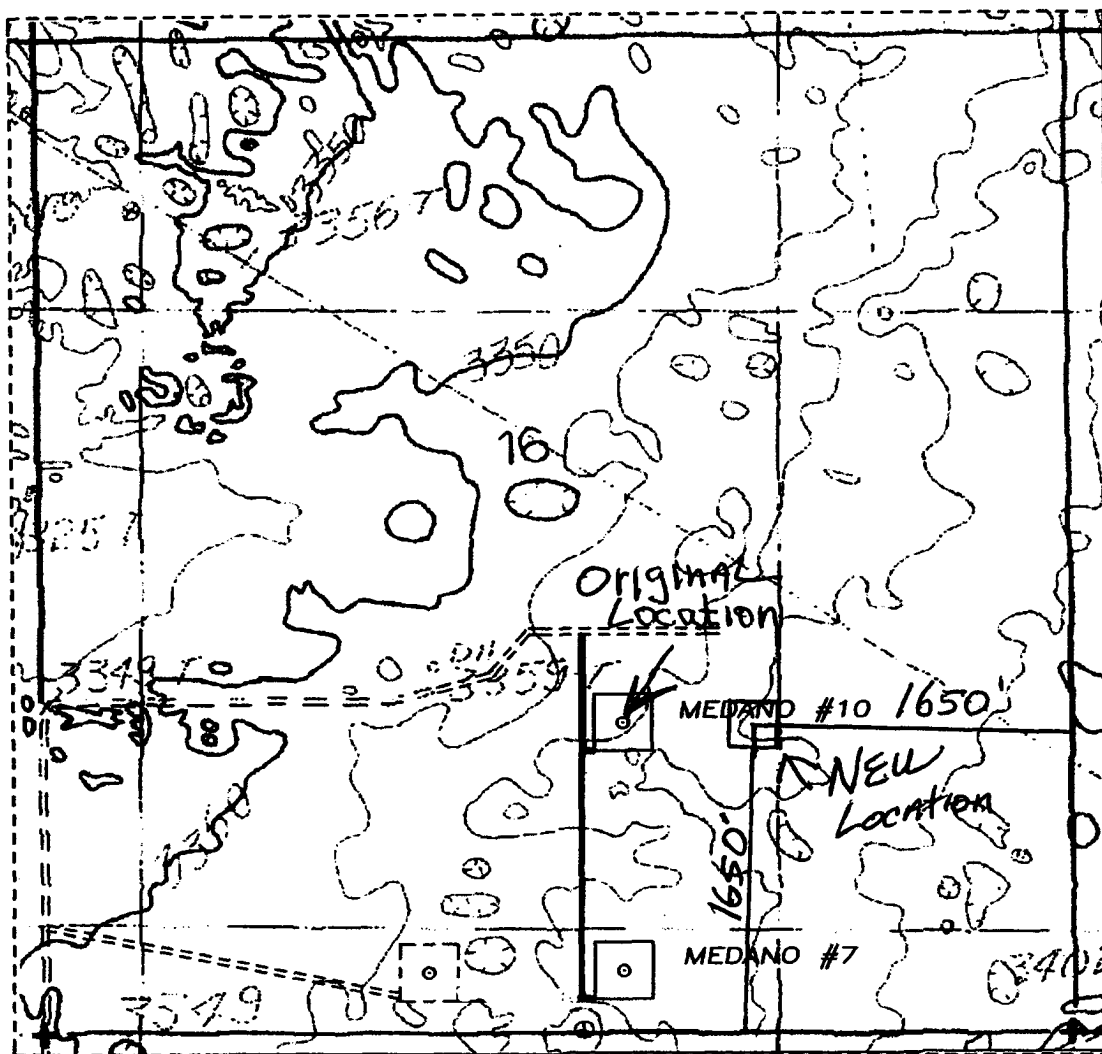
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p style="text-align: center;">RECEIVED JAN 04 2005 OCD:ARTESIA</p>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i> Signature</p> <p>Cy Cowan Printed Name</p> <p>Regulatory Agent Title</p> <p>January 3, 2005 Date</p>	
				<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>12/29/2004 Date Surveyed</p> <p><i>[Signature]</i> Signature of Surveyor</p> <p>Professional Seal of Surveyor Professional Seal of Surveyor</p> <p>3640 Certification No. 3640 MEDANO 10 GENERAL SURVEYING COMPANY</p>	

0 530' 600' 690' 1050' 1080' 1110' 1210' 1240' 1270' 1300' 1330' 0'

SECTION 16, TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



1000' 0 1000' 2000'
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

HERSCHEL L. JONES, P.L.S. No. 3840

GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

YATES PETROLEUM CORP.

LEASE ROAD TO ACCESS THE YATES MEDANO
"VA" STATE #7 & 10, LOCATED IN SECTION 16,
TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM,
EDDY COUNTY, NEW MEXICO.

Survey Date: 9/18/2001	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 9/20/01	Scale 1" = 1000' MEDANO

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MSAIC Fresh Cauld, INC.
P.O. Box 71
Caldwell, NM 88220

ATTN: Mr. Dan Morehouse

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7004 2510 0003 2913 8591

PS Form 3811, February 2004

Domestic Return Receipt

102596-02-M-1540