

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
 May 27, 2004

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

WELL API NO. 30-015-22548
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Kennedy JQ
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Kennedy Farms Morrow/Kennedy Farms Upper Penn

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

2. Name of Operator
 Yates Petroleum Corporation

3. Address of Operator
 105 S. 4th Street, Artesia, NM 88210

4. Well Location
 Unit Letter H : 2510 feet from the North line and 660 feet from the East line
 Section 33 Township 17S Range 26E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3339'GR

Pit or Below-grade Tank Application or Closure < 50' 20 points
 Pit type Workover Depth to Groundwater > 50'-100' Distance from nearest fresh water well > 200' Distance from nearest surface water > 1000'
 Pit Liner Thickness: 12 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 PLANS
 PULL OR ALTER CASING MULTIPLE COMPL

OTHER: Pit Construction

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDON
 CASING/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.

Pit will be constructed as per Master plan approved 12/20/04

A PIT CLOSURE PLAN MUST BE APPROVED PRIOR TO THE COMMENCEMENT OF CLOSURE OPERATIONS.

As a condition of approval, if during pit construction water is encountered or if water seeps in pits after construction the OCD MUST BE CONTACTED IMMEDIATELY!

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 (Tina Huerta) TITLE Regulatory Compliance Supervisor DATE March 27, 2006

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1476

For State Use Only
 APPROVED BY: (Signature) TITLE _____ DATE MAR 31 2006

Conditions of Approval (if any):