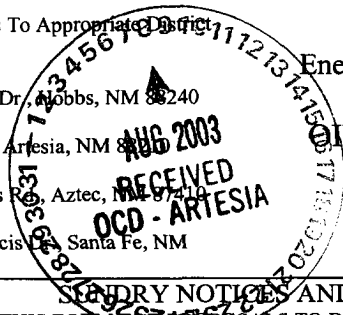


Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis, Santa Fe, NM 87505



State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised March 25, 1999

WELL API NO.
 30-015-32123

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 V-120

7. Lease Name or Unit Agreement Name:
 Medano VA State

NEEDRY 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

8. Well No.
 7

9. Pool name or Wildcat
 Los Medanos Delaware

4. Well Location
 Unit Letter O : 330 feet from the South line and 2310 feet from the East line
 Section 16 Township 23S Range 31E NMPM Eddy County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3373' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Intermediate and production casing <input checked="" type="checkbox"/>	

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 recompilation.

7/21/03 - Set 8-5/8" 32# casing at 4089'. Cemented with 950 sx Halliburton Lite Premium Plus with additives. Tailed in with 200 sx Premium Plus with additives. Cement circulated to surface. WOC 27 hrs. Reduced hole to 7-7/8" and resumed drilling.
 7/26/03 - Reached TD 8150' at 6:00 PM.
 7/27/03 - Set 5-1/2" 15.5 & 17# casing at 8150'. Cemented Stage 1 with 600 sx Super "H" with additives. Tailed in with 100 sx Premium with additives. Did not circulate. Cemented Stage 2 with 300 sx Interfill "C" with additives. Tailed in with 100 Premium Plus with additives.

Bond Log Submitted

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Tina Huerta* TITLE Regulatory Compliance Supervisor DATE August 6, 2003

Type or print name Tina L. Huerta Telephone No. 505-748-1471

APPROVED BY *Jim W. Green* TITLE District Supervisor DATE AUG 15 2003

Conditions of approval, if any: