MAY 1 4 2008 OCD-ARTESIA

Submit 2 Copies To Appropriate District State of New Mexico Form C-103 Office Energy, Minerals and Natural Resources October 25. 2007 District I WELL API NO. 1625 N French Dr., Hobbs, NM 88240 30-015-23259 District II OIL CONSERVATION DIVISION 1301 W Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr STATE 🔀 FEE 1000 Rio Brazos Rd. Aztec, NM 87410 Santa Fe. NM 87505 6. State Oil & Gas Lease No District IV 1220 S. St. Francis Dr., Santa Fe, NM L-6287 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (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 Irish Hills Veso JE State 8. Well Number 1 Type of Well Oil Well Gas Well V Other PA 2 Name of Operator 9. OGRID Number Yates Petroleum Corporation 025575 10 Pool name or Wildcat 3. Address of Operator 105 S. 4th Street, Artesia, NM 88210 Penasco Draw SA Yeso 4. Well Location Unit Letter 6 2310 feet from the N line and 1650 feet from the E line Township 195 Range 24E NMPM Eddy County 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ REMEDIAL WORK ALTERING CASING \Box COMMENCE DRILLING OPNS.□ TEMPORARILY ABANDON CHANGE PLANS P AND A PULL OR ALTER CASING MULTIPLE COMPL П CASING/CEMENT JOB П OTHER □ Location is ready for OCD inspection after P&A All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned. A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. All INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE. The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level. If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location. All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.) All other environmental concerns have been addressed as per OCD rules. Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines. When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed SIGNATURE A. Rhos TITLE Foreman DATE 5-13-08 TYPE OR PRINT NAME LEE R. R. Huds E-MAIL. PHONE575-748-1471 For State Use Only

OK to Release.