

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

| | |
|--------------------------------------|--|
| WELL API NO. | 30-015-29592 |
| 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 | Martin ARH |
| 8. Well No. | 1 |
| 9. Pool name or Wildcat | Kennedy Farms Morrow |

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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER | 2. Name of Operator YATES PETROLEUM CORPORATION |
| 3. Address of Operator 105 South 4th St., Artesia, NM 88210 | 4. Well Location Unit Letter J : 1980 Feet From The South Line 1980 Feet From The East Line |

| | | | | | |
|--|--------------|-----------|------|------|--------|
| Section 27 | Township 17S | Range 26E | NMPM | Eddy | County |
| 10. Elevation (Show whether DF, RKB, RL, GR, etc.) 3328' 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"/> | REMEDIAL WORK <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| OTHER: <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| | CASING TEST AND CEMENT JOB <input type="checkbox"/> |
| | OTHER: Perforate <input checked="" type="checkbox"/> |

12. 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.

12-2-97 - Cleaned location and set anchors. Moved in and rigged up pulling unit.
12-3-97 - TIH with bit, collars and tubing. Tagged DV tool at 6909'. Rigged up swivel and drilled DV tool. Pressure tested casing to 1500 psi. TIH with tubing and tagged PBTD at 8812'. Displaced hole with 2% KCL. TOOH with tubing, drill collars and bit. TIH with scraper and tubing to 8812' (PBTD). TOOH with tubing and scraper. Rigged up wireline. TIH with logging tools and ran CBL/GR/CCL log. TOOH with logging tools and rigged down wireline.
12-4-97 - Prep to perforate.
12-5-97 - TIH with Halliburton TCP guns, packer and tubing. Nippled down BOP. Set packer at 8523'. Nippled up tree. Rigged up backside pump. Pressured up backside to 2000 psi. Rigged up N2 pump. Pressured up on tubing - guns fired - perforating 8626-8646' w/122 .42" holes (6 SPF - Morrow). Began flowing back.
12-6-97 - Shut well in. Released well to production department.

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

SIGNATURE Rusty Klein TITLE Operations Technician DATE Dec. 29, 1997
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

ORIGINAL SIGNED BY TIM W. GUNN
MINERAL CONSERVATION

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

JAN 8 1998