

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. 30-015-21411
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 Wilkinson AZ
8. Well No. 3
9. Pool name or Wildcat Penasco Draw SA-Yeso
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3469' GR

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 checked="" type="checkbox"/> GAS WELL <input 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 <u>N</u> : <u>480</u> Feet From The <u>South</u> Line and <u>1780</u> Feet From The <u>West</u> Line Section <u>25</u> Township <u>18S</u> Range <u>25E</u> NMPM Eddy County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3469' 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: Add perforations in San Andres <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input 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.

Propose to add San Andres perforations to Yeso perforations 2165-2321' as follows:

1. TOOH with tubing. TIH with bit and scraper and clean out to 2341'.
2. Set RBP at 2000'. Test casing to 2500 psi.
3. Perforate San Andres from 1425-1662' w/22 holes. Acidize and frac as necessary.
4. Swab test. TOOH with RBP at 2000'. Return all perforations to production.

RECEIVED

SEP 06 1996

OIL CON. DIV.

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 DIST. 2 DATE Sept. 6, 1996
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use) ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

APPROVED BY _____ TITLE _____ DATE SEP 12 1996

CONDITIONS OF APPROVAL, IF ANY: