AM OIL CONS COMMISSION Drawer DD Artesia, NM 88210 Artesia, NM FORM APPROVED Form 3160-5 UNITED STATES (June 1990) Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 **BUREAU OF LAND MANAGEMENT** 5. Lease Designation and Serial No. NM-043625 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well Oil Well Gas Well X Other Convert to WIW 8. Well Name and No. 2. Name of Operator Saguaro AGS Federal Com #8 YATES PETROLEUM CORPORATION (505) 748-1471) 9. API Well No. 3. Address and Telephone No. 30-015-26517 105 South 4th St., Artesia, NM 88210 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Dagger Draw Upper Penn South 660' FSL & 1980' FEL of Section 14-T20S-R24E (Unit 0, SWSE) 11. County or Parish, State Eddy Co., NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Abandonment Change of Plans Recompletion **New Construction** Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off ☐ Final Abandonment Notice Altering Casing Conversion to Injection Other Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* Propose to convert to WIW in Canyon formation for Sawbuck Pilot waterflood project as follows: Kill well & TOOH with pump and rods. NU BOP and TOOH with tubing anchor and tubing. Perforate 7560-7578' (Canyon) with 20 holes (2 SPF). 3. RIH with RBP & packer. Straddle perforations 7560-7578' and acidize. Swab back. TOOH with RBP and packer. TIH w/injection equipment and tubing as follows: 7" X 2-7/8" Uni VI packer (nickel plated) and 3-1/2" 9.3# J-55 plastic coated tubing. Set packer at 7500'. Reverse cirtulate down annulus with clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger. Test annulus to 500 psi for 30 minutes. If everything tests okay, ND BOP and nipple up injection wellhead. Install pressure gauge on tubing & caston annulus annulus. Plumb well for injection service. NOTIFY NMOCD - ARTESIA (505-74 Q1283) 24 HOURS IN ADVANCE TO WITNESS CASING INTEGRITY TEST. Subject to Like Approval by State 14. I hereby certify that the foregoing is/true and correct Production Clerk PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.