

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

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|--------------------------------------|--|
| WELL API NO. | 30-015-28777 |
| 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 | Mojave AJY Com |
| 8. Well No. | 4 |
| 9. Pool name or Wildcat | Dagger Draw Upper Penn, South |

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| 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 <input type="checkbox"/> | |
| 2. Name of Operator YATES PETROLEUM CORPORATION | |
| 3. Address of Operator 105 South 4th St., Artesia, NM 88210 | |
| 4. Well Location Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line Section 35 Township 20 1/2 S Range 23E NMPM Eddy County | |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3750' GR | |

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| 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"/> |
| PLUG AND ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| CHANGE PLANS <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> |
| OTHER: <input type="checkbox"/> | OTHER: spud, surface casing & cement <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.

Spudded a 26" hole with rat hole machine at 2:15 PM 6-14-97. Set 80' of 20" conductor pipe. Cemented to surface. NOTE: Notified OCD-Artesia answering service of spud. Resumed drilling a 14-3/4" hole with rotary tools at 9:00 PM 6-18-97.

TD 1050'. Reached TD at 7:15 AM 6-21-97. Ran 24 joints of 9-5/8" 36# J-55 8rd ST&C (1054.66') of casing set at 1050'. 1-Texas Pattern notched guide shoe set at 1050'. Insert float set at 1005'. Cemented with 200 sacks Premium, 12% Calseal, 1/4#/sack flocheck, 5#/sack gilsonite & 2% CaCl2 (yield 1.54, weight 14.8) and 900 sacks Halliburton Lite Premium Plus, 5#/sack gilsonite, 1/4#/sack flocheck & 2% CaCl2 (yield 1.99, weight 12.5). Tailed in with 200 sacks Premium Plus and 2% CaCl2 (yield 1.32, weight 14.8). PD 4:45 PM 6-21-97. Bumped plug to 400 psi, OK. Cement did not circulate. WOC 6 hours. Ran Temperature Survey and found top of cement at 281'. Ran 1". Tagged cement at 231'. Spotted 200 sacks of Premium Plus with 4% CaCl2 and 100 sacks Premium Plus with 2% CaCl2. PD 1:15 AM 6-22-97. Circulated 10 sacks. WOC. Nipped up and tested to 3000 psi for 30 minutes, OK. Drilled out at 9:15 PM 6-22-97. WOC 28 hours & I hereby certify that the information above is true and complete to the best of my knowledge and belief. 30 minutes. Reduced hole to 8-3/4". Resume drilling.

SIGNATURE Rusty Klein TITLE Operations Technician DATE 6-26-97

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 JUL 2 1997

CONDITIONS OF APPROVAL, IF ANY: