District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
Permit 22320

WELL API NUMBER
30-025-37545

5. Indicate Type of Lease
S

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
MERLE STATE UNIT

1. Type of Well:G

8. Well Number
003

2. Name of Operator
YATES PETROLEUM CORPORATION

9. OGRID Number
25575

3. Address of Operator
105 S 4TH ST , ARTESIA , NM 88210

10. Pool name or Wildcat

4. Well Location
Unit Letter P : 990 feet from the S line and 990 feet from the E line
Section 14 Township 10S Range 34E NMPM Lea County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
4173 GR

Pit or Below-grade Tank Application ☐ or Closure ☐
Pit Type _____ Depth to Groundwater_____ Distance from nearest fresh water well_____ Distance from nearest surface water_____
Pit Liner Thickness:_____ mil Below-Grade Tank: Volume_____ bbls; Construction Material_____

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 ☐	ALTER CASING ☐
TEMPORARILY ABANDON ☐	CHANGE OF PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDON ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
Other:		Other: **Drilling/Cement**	☒

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Resumed drilling 1-10-06. TD 17-1/2" hole to 427' 1-11-06. Set 13-3/8" 48# casing @ 376'. Cemented w/240 sx "C" w/additives. Tailed in w/200 sx. Cement circulated. (Did not get casing to bottom; Gary Wink-NMOCD ok'd cementing casing @ 376'. WOC 24 hrs, 15 mins. Reduced hole to 12-1/4" and resumed drilling. TD 12-1/4" hole to 4148' 1-18-06. Set 9-5/8" 36# and 40# casing @ 4110'. (Gary Wink ok'd depth of 4110'.) Cemented w/1375 sx 35:65:6 POZ "C" and tailed in w/200 sx. Cement circulated. WOC 46 hrs, 30 mins. Reduced hole to 8-3/4" and resumed drilling. **12/15/2005** Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
01/20/06	Int1		12.25	9.625	36	J55	0	4110	1575		C				
01/12/06	Surf		17.5	13.375	48	H40	0	376	440		C				

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed TITLE Regulatory Agent DATE 1/30/2006

Type or print name Debbie Caffall E-mail address debbiec@ypcnm.com Telephone No. 505-748-4376

For State Use Only:

APPROVED BY: David M Byrne TITLE System Analyst DATE 2/2/2006 8:17:55 AM