Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office May 27, 2004 Energy, Minerals and Natural Resources District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 30-005-63678 District II OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr. District III STATE | 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 6. State Oil & Gas Lease No. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 VA-2014 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (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 Stingray BHG State PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well Gas Well RECEIVED 2. Name of Operator 9. OGRID Number Yates Petroleum Corporation OCT 1.2 2005 025575 3. Address of Operator 10. Pool name or Wildcat OCU:AFTERIA 105 S. 4th Street, Artesia, NM 88210 Diablo San Andres/Wildcat Penrose/Coyote; Queen 4. Well Location feet from the Unit Letter 660 1980 feet from the North line and East 18 Section Township 10S Range **NMPM** Chaves County 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3829'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 Below-Grade Tank: Volume Pit Liner Thickness: 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 ALTERING CASING □ П

of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date

9/22/05 - Set CIBP at 6350' with 35' cement on top and at 5800' with 35' cement on top. Perforate San Andres 1926'-1930' (10), 1940'-1954' (30), 1968'-1972' (10) and 1976'-1990' (30).

9/27/05 – Acidize San Andres with 3700g 20% IC acid and 120 balls. Perforate Penrose 808'-828' (42) and Queen 954'-960' (14) and 980'-990' (22).

9/29/05 – Acidize with 3700g 20% IC acid and 120 balls.

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 TITLE Regulatory Compliance Supervisor DATE October 11, 2005

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only APPROVED BY: FOR RECORDS ONLY TITLE DATE