

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

APR - 7 2009

Form C-103
June 16, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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.)		WELL API NO. 30-015-36907
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VO-4949
3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Grande Mike AKZ State
4. Well Location Unit Letter <u>Lot 13</u> : <u>3700</u> feet from the <u>South</u> line and <u>200</u> feet from the <u>West</u> line Section <u>2</u> Township <u>16S</u> Range <u>29E</u> NMPM Eddy County		8. Well Number #2H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3744'		9. OGRID Number 025575
		10. Pool name or Wildcat Wildcat Bone Springs

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input checked="" type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input checked="" type="checkbox"/>
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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.

Yates Petroleum Corporation requests permission to change from the use of a Reserve Pit to a Closed Loop System. Attached Is an exhibit for the Piping from Choke Manifold to the Closed-Loop Drilling Mud System and an exhibit for the Closed Loop Design Plan.

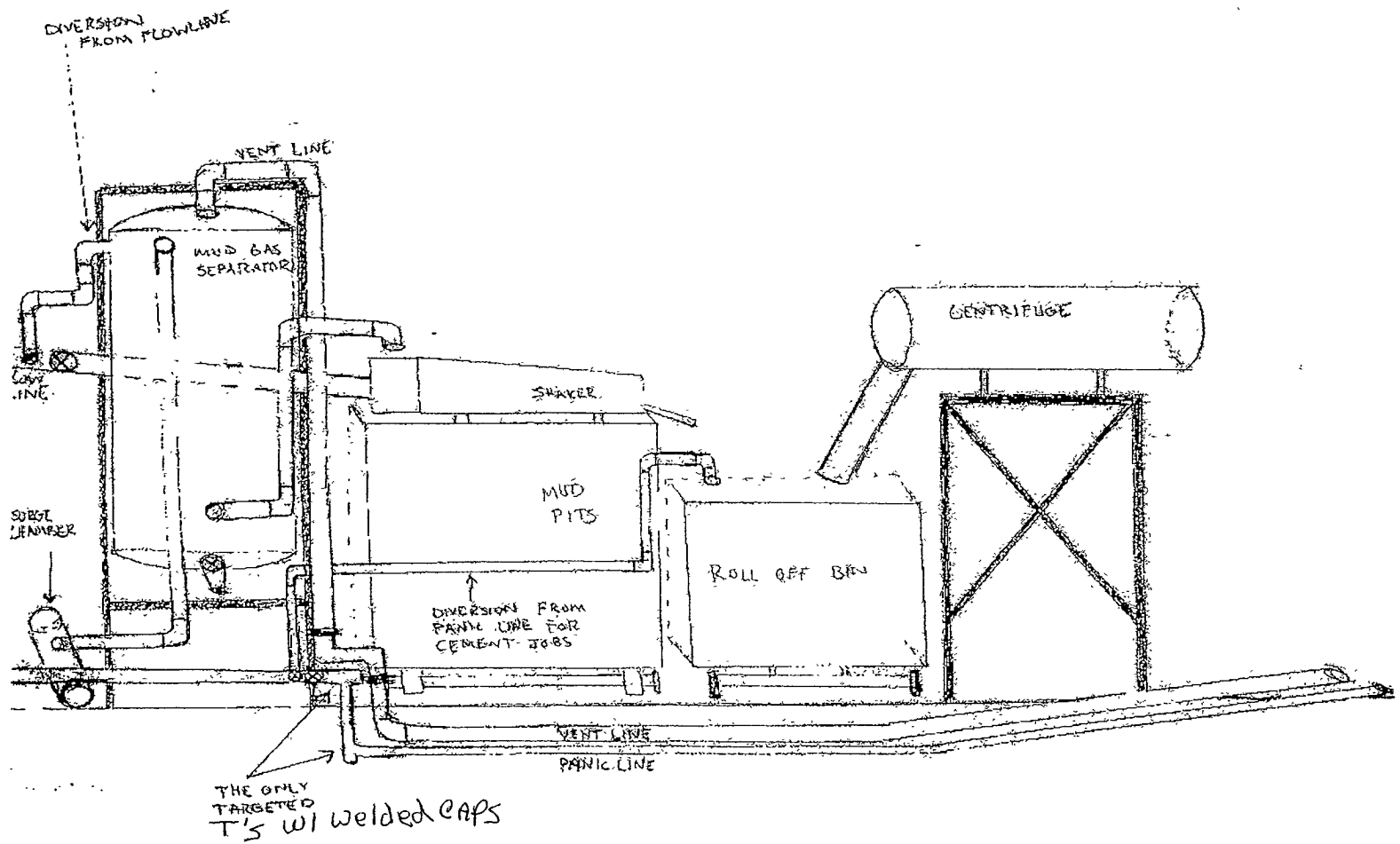
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

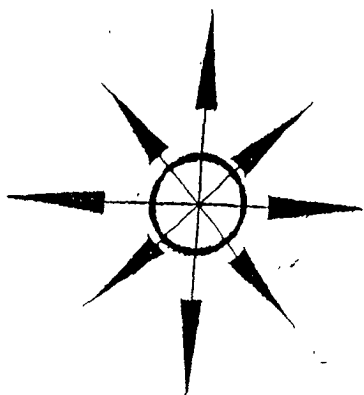
SIGNATURE Cy Cowan TITLE Land Regulatory Agent DATE 3/31/09

Type or print name Cy Cowan E-mail address: cy@yatespetroleum.com PHONE: 575-748-4372
For State Use Only

APPROVED BY: Geology TITLE Geology DATE 4/7/09
Conditions of Approval (if any):

YATES PETROLEUM CORPORATION
Piping from Choke Manifold
to the Closed-Loop Drilling Mud System





Yates Petroleum Corporation

Location Layout for Permian Basin

Closed Loop Design Plan

