

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

Form C-103
 Revised June 10, 2003

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

WELL API NO. 30-015-31582
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-4804
7. Lease Name or Unit Agreement Name Tracy AXW State
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Happy Valley Strawn Northeast/ Burton Flat Morrow

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 Gas Well Other

2. Name of Operator
 Yates Petroleum Corporation

3. Address of Operator
 105 S. 4th Street, Artesia, NM 88210

4. Well Location
 Unit Letter Surf.-I : 1650 feet from the South line and 660 feet from the East line
 BHL-A 868 North 842 East
 Section Surface - 25 Township 21S Range 26E NMPM Eddy County
 BHL - 36 21S 26E

RECEIVED

JAN 14 2004

OCD-ARTESIA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3127'GR

12. 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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Drill out composite and commingle well <input checked="" type="checkbox"/>	

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.

1/7/04 - Drilled out composite plug at 10,700'. Set packer at 10,330'. PBTB 11,863'.

WELL IS NOW COMMINGLED

Happy Valley Strawn Northeast Oil-0% Gas-25%
 Burton Flat Morrow Oil-100% Gas-75%

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

SIGNATURE: Tina Huerta TITLE: Regulatory Compliance Supervisor DATE: January 13, 2004

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471
 (This space for State use)

APPROVED BY _____ TITLE _____ DATE JAN 24 2004
 Conditions of approval, if any:

FOR RECORDS ONLY