

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
March 4, 2004

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

WELL API NO. 30-005-63553
5. Indicate Type of Lease STATE ☒ ☐
6. State Oil & Gas Lease No. LG-8138
7. Lease Name of Unit Agreement Name Hard As Nails APD State Com
8. Well Number 3
9. OGRID Number 025575
10. Pool name or Wildcat Undes. Foor Wolfcamp

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 South 4th Street, Artesia, New Mexico, 88210

4. Well Location

Unit Letter: J : 1980 feet from the South line and 1980 feet from the East line

Section 27 Township 9S Range 26E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3803.2' GR

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL J Sect 27 Twp 9S Rng 26E Pit type Drilling Depth to Groundwater 75' Distance from nearest fresh water well 1000' or more

Distance from nearest surface water 1000' or more Below-grade Tank Location UL Sect Twp Rng ;
feet from the line and feet from the line

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☒ Extend APD

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 request to extend the captioned well's APD expiration date for one (1) year to August 26, 2007. Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Wolfcamp Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

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 Debbie L. Caffall TITLE Regulatory Agent/Land Department DATE August 1, 2006

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

(This space for State use)

APPROVED BY BRYAN G. ARRANT
DISTRICT II GEOLOGIST
Conditions of approval, if any:

DATE

AUG 1 6 2006

YATES PETROLEUM CORPORATION

Re-entry Procedure

Hard as Nails AMD State #3

Drilling Prognosis

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This well was originally drilled by Yates Petroleum Corporation as the Hard as Nails State Unit #1 on November 18, 1987. Yates Petroleum Corporation proposes to re-enter this well with a drilling rig and drill out plugs in the 8 5/8" casing and in the 7 7/8" open hole to 5100'. The well will be deepened to 6200' in the Ordovician Formation. A new suite of open hole logs will be run then a string of 5 1/2" casing will be run to TD and cemented back to 3,000'+-. The well will then be completed with a pulling unit. The formation to be tested will be the Wolfcamp Formation.

MUD PROGRAM: 0-5100' Brine; 5100'-6200' Salt Gel/Starch. Wt 9.3-10.2.
Vis 32-40. <10cc.

BOPE PROGRAM: 2000 # BOPE will be nipped up on 8 5/8 in casing.