

June 19, 2008

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

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

S

WELL API NO. 30-015-36305
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-6885
7. Lease Name or Unit Agreement Name Stogey BLG State Com
8. Well Number 1H
9. OGRID Number 025575
10. Pool name or Wildcat Willow Lake; Bone Spring

<p>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.)</p>																																		
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>																																		
<p>2. Name of Operator Yates Petroleum Corporation</p>																																		
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>																																		
<p>4. Well Location</p> <table border="0"> <tr> <td>Unit Letter</td> <td>A</td> <td>:</td> <td>660</td> <td>feet from the</td> <td>North</td> <td>line and</td> <td>660</td> <td>feet from the</td> <td>East</td> <td>line</td> </tr> <tr> <td>Unit Letter</td> <td>D</td> <td>:</td> <td>660</td> <td>feet from the</td> <td>North</td> <td>line and</td> <td>330</td> <td>feet from the</td> <td>West</td> <td>line</td> </tr> <tr> <td>Section</td> <td>36</td> <td></td> <td></td> <td>Township</td> <td>24S</td> <td>Range</td> <td>27E</td> <td>NMPM</td> <td>Eddy</td> <td>County</td> </tr> </table>		Unit Letter	A	:	660	feet from the	North	line and	660	feet from the	East	line	Unit Letter	D	:	660	feet from the	North	line and	330	feet from the	West	line	Section	36			Township	24S	Range	27E	NMPM	Eddy	County
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<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3079'GR</p>																																		

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 COMPL ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: ☐OTHER: Intermediate casing ☒

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.

7/30/08 – Set 8-5/8" 24#, 32# J-55 casing at 2526'. Cemented with 625 sx 35:65:6 Poz "C" + 0.125#/sx D130 + 6% D20 + 2% S1 + 2#/sx D24 (yld 1.98, wt 12.6). Tailed in with 200 sx Class "C" + 1% S1 (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 1000 psi for 30 min. WOC 31 hrs. Reduced hole to 7-7/8" and resumed drilling.

ACCEPTED FOR RECORD

AUG 20 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District H ARTESIA

Spud Date:

Rig Release Date:

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 August 15, 2008Type or print name Tina Huerta E-mail address: tinah@ypcnm.com PHONE: 575-748-4168**For State Use Only**

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____