

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

10-30-08 2nd Copy
 Form C-103
 May 27, 2004

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		WELL API NO. 30-015-35208
2. Name of Operator Yates Petroleum Corporation		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210		6. State Oil & Gas Lease No. VO-6443
4. Well Location Unit Letter <u>P</u> : <u>660</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>27</u> Township <u>24S</u> Range <u>27E</u> NMPM <u>Eddy</u> County		7. Lease Name or Unit Agreement Name Behike BKE State Com
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3195'GR		8. Well Number 1
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		9. OGRID Number 025575
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		10. Pool name or Wildcat Wildcat; Morrow

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 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"/> PLUG AND ABANDON <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Conductor, Surface and Intermediate casing <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.

5/30/08 – Set 60' of 20" conductor and cemented to surface with redi-mix.
 6/4/08 – Resumed drilling at 9:00 PM.
 6/6/08 – Set 13-3/8" 48# H-40 casing at 731'. Cemented with 400 sx Halliburton Lite Premium Plus "C" + 1# Phenoseal + 2% CaCl (yld 1.91, wt 12.7). Tailed in with 200 sx Halliburton Lite Premium Plus "C" + 2% CaCl (yld 1.35, wt 14.8). Cement circulated to surface. Tested casing to 600 psi for 30 min. WOC 54 hrs 10 min. Reduced hole to 12-1/4" and resumed drilling.
 6/12/08 – Set 9-5/8" 36# J-55 casing at 2510'. Cemented with 700 sx Halliburton Lite Premium SBM + 1#/sx Phenoseal + 1% CaCl2 (yld 1.89, wt 12.7). Tailed in with 200 sx Premium Plus + 2% CaCl2 (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 1500 psi for 30 min WOC 45 hrs 15 min. Reduced hole to 8-3/4" and resumed drilling.

ACCEPTED FOR RECORD

NOV 3 - 2008

Gerry Guye, Deputy Field Inspector
 NMOCD-District II ARTESIA

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 Tina Huerta TITLE Regulatory Compliance Supervisor DATE June 17, 2008

Type or print name Tina Huerta E-mail address tinah@ypcnm.com Telephone No. 575-748-1471

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):