State of New Mexico Submit 3 Copies Form C-103 Energy "inerals and Natural Resources Department to Appropriate District Office Revised 1-1-89 OIL CONSERVATION DIVISION WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-005-63334 **DISTRICT II** Santa Fe, New Mexico 87504-2088 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease STATEKX FEE 1000 Rio Brazos Rd., Aztec, NM 8741') 6. State Oil & Gas Lease No. LG-0567 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: OL WELL OTHER Grynberg LZ State 2. Name of Operator 8. Well No. YATES PETROLEUM CORPORATION 3. Address of Operator 9. Pool name or Wildcat 105 South 4th St., Artesia, NM Wildcat Precambrian 4. Well Location _: __1980 Feet From The South 1980 Line and Feet From The Line Section Township 5S Range **NMPM** Chaves County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3896' GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: Spud, conductor, resume drilling surface casing & cement OTHER: 12. 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. Spudded a 22" hole with rat hole machine at 1)45 AM 10-8-2001. Drilled to 40'. Set 40' of 16" conductor pipe. Cemented to surface. NOTE: Notified Van Barton w/OCD-Artesia of spud. Resumed drilling a 14-3/4" hole with rotary tools at 9:45 PM 10-21-2001. NOTE: Notify Gerry Guy w/OCD-Artesia of operations. TD 930'. Reached TD at 9:45 AM 10-23-2001. Ran 22 joints of 11-3/4" 42# (930.18') of

TD 930'. Reached TD at 9:45 AM 10-23-2001. Ran 22 joints of 11-3/4" 42# (930.18') of casing set at 930'. 1-Texas Pattern notched guide shoe set at 930'. Insert float set at 886'. Cemented with 500 sacks of Poz C (65-35), 6% D-20, 2% S-1, 5#/sack D-24 and1/8#/sack D-130 (yield 1.99, weight 12.6). Tailed in with 200 sacks "C" and 2% CaCl2 (yield 1.32, weight 14.8). PD 3:45 PM 10-23-2001. Bumped plug to 670 psi, OK. Circulated 73 sacks. WOC. Nippled up and tested to 1000 psi for 10 minutes, OK. Drilled out at 11:00 AM 10-24-2001. WOC 19 horus and 15 minutes. Reduced hole to 11". Resumed drilling.

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NOTE: Reduced hole to 7-7/8" at 1555'.	
I hereby certify that the information above; strue and complete to the best of my knowledge	and belief.
SKINATURE KUSTIN KUN	Operations Technician Nov. 9, 2001
TYPEOR PRINT NAME Rusty Klein	TELEPHONE NO. 505/748-1471
THE OK PAINT NAME	IZZINKENO, 303/110 I 111

(This space for State Use)

ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR

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CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY