

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

Form C-103  
Revised March 25, 1999

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. <del>50-025-31045</del>
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. LG-2265
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name: Superior WA State
4. Well Location  Unit Letter <u>C</u> : <u>660'</u> feet from the <u>North</u> line and <u>1980'</u> feet from the <u>West</u> line  Section <u>11</u> Township <u>14S</u> Range <u>33E</u> NMPM Lea County		8. Well No. 5
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. Pool name or Wildcat Wildcat Abo oil / Saunders-Perm Penn

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO:

+ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐  
PULL OR ALTER CASING ☐  
OTHER: Surface Pool Commingle ☒

SUBSEQUENT REPORT OF:  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation respectfully requests approval for surface pool commingling the following wells:

Superior WA State #5  
Formation: Wildcat/Abo  
Lea County, New Mexico  
State Lease # LG-2265

Superior WA State #1, 2, & 4.  
Formation: Saunders/Permo-Upper Penn  
Lea County, New Mexico  
State Lease # LG-2265

The battery is located at the Superior WA State #1. Please see attached plat and site facility diagram.

Oil & gas production/sales will be allocated based on wells test performed monthly.

Working interest owners are identical.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. Estimated daily production for the Superior WA State #5 is 8 bbls of oil, and 26 mcf.

The purpose of the surface/pool commingling, lease commingling, off lease storage and measurement is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

The proposed commingling is necessary for economic operation of the above referenced leases.

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

SIGNATURE Mayte Reyes TITLE Production Secretary DATE June 1, 2004  
Type or print name Mayte Reyes Telephone No. (505) 748-4213

(This space for State use)

APPROVED BY [Signature] TITLE Engineer DATE 8/6/04  
Conditions of approval, if any: