Sabmit 3 Copies To Appropriate District Office <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240	State of New Mexico Energy, Minerals and Natural Resources OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505		Form C-103 May 27, 2004 WELL API NO.
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			30-025-36785 5. Indicate Type of Lease STATE FEE 6. State Oil & Gas Lease No. VA-1797
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			7. Lease Name or Unit Agreement Name Dempster State Unit 8. Well Number 2
2. Name of Operator Yates Petroleum Corporation 3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210 4. Well Location			9. OGRID Number 025575 10. Pool name or Wildcat Dempster Mill; Mississippian (Gas)
Unit Letter N : 1980 feet from the South line and 1150 feet from the West line Section 31 Township 11S Range 36E NMPM Lea County			
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4067' GR Pit or Below-grade Tank Application or Closure			
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 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data			
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILL OR ALTER CASING MULTIPLE COMPL CASING/CEMENTO OTHER:			BEQUENT REPORT OF: ALTERING CASING DELING OPNS. P & A DELING DEL
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.			
 8-19-04 Set 40' of 20" conductor and redi-mix to surface. 8-26-04 Resumed drilling. TD 17-1/2" hole to 433'. Set 13-3/8" 48# casing @ 433'. Cemented w/220 sx "C" w/additives and tailed in w/220 sx. Cement circulated. WOC. Test casing to 700#. Reduced hole to 12-1/4" and resumed drilling. 			
9-4-04 TD 12-1/4" hole to 4400'. Set 9-5/8" 36# and 40# casing @ 4400'. Cemented w/1340 sx 35:65:6 POZ w/additives and tailed in w/200 sx "C" Neat. Cement circulated. WOC 34 hrs. Reduced hole to 8-3/4" and resumed drilling.			
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 glosed according to NMOCD guidelines, a general permit or an (attached) alternative OCD-approved plan SIGNATURE			
Type or print name Stormi Davis For State Use Only	E-mail address:		Telephone No505-748-1471
APPROVED BY: Jarry U Conditions of Approval (if any):). Wurftitle OC FIELI	O REPRESENTATIV	DATE SEP 2 1 2004