

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

Form C-103
 May 27, 2004

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

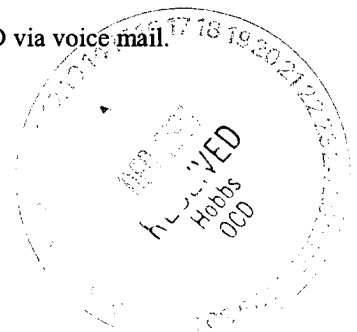
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		WELL API NO. 30-025-36983
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.
4. Well Location Unit Letter <u>I</u> : <u>660</u> feet from the <u>South</u> line and <u>930</u> feet from the <u>East</u> line Section <u>5</u> Township <u>11S</u> Range <u>35E</u> NMPM <u>Lea</u> County		7. Lease Name or Unit Agreement Name East Sand Springs Unit
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4142' GR		8. Well Number 7
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
10. Pool name or Wildcat Sand Springs; Mississippian (Gas)		

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"/> P & A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Spud <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.

12-4-04 Spudded 12-1/4" hole @ 9:30 a.m. Drilled to 10'. Notified Sylvia Dickey w/Hobbs NMOCD via voice mail.



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 Stormi Davis TITLE Regulatory Compliance Technician DATE 12-7-04

Type or print name Stormi Davis E-mail address: _____ Telephone No. 505-748-1471

For State Use Only

APPROVED BY: Chris Williams TITLE DISTRICT SUPERVISOR/GENERAL MANAGER DATE DEC 29 2004

Conditions of Approval (if any):