

DISTRICT I
P.O. Box 1980, Hobbs NM 88240
DISTRICT II
P.O. Drawer DD, Artesia NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

| |
|---|
| WELL API NO. 30-025-35761 |
| 5. Indicate Type of Lease State <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. Lease No. VO-5093 |
| 7. Lease Name or Unit Agreement Name Mocha State Unit |
| 8. Well No. 1 |
| 9. Pool Name or Wildcat Wildcat Morrow Wildcat Mississippian |

(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 <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> |
|--|

| |
|---|
| 2. Name of Operator Yates Petroleum Corporation |
|---|

| |
|---|
| 3. Address of Operator 105 South 4th, Artesia, NM 88210 |
|---|

| |
|---|
| 4. Well Location Unit Letter C : 1100 Feet From The North Line and 1980 Feet From The West Line Section 2 Township T13S Range R34E NMPM Lea COUNTY |
|---|

| |
|---|
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4144' GR |
|---|

11. 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"/> | |
| OTHER <input type="checkbox"/> | |

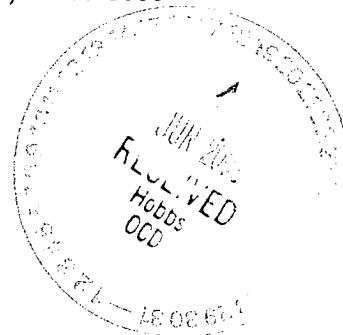
SUBSEQUENT REPORT OF:

| | |
|---|---|
| REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER <input checked="" type="checkbox"/> | Downhole Commingle |

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.

6-16-03 Drilled on composite plug @ 12380' and pushed down to 12970'.

Well now producing from Austin Cycle (12393-12440') and Morrow (12290-12346'). **DHC-3035**



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

SIGNATURE Stormi Davis

TITLE Regulatory Compliance Tech DATE 6/18/03

TYPE OR PRINT NAME Stormi Davis

TELEPHONE NO 505-748-1471

(This space for State Use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER

DATE JUL 24 2003

CONDITIONS OF APPROVAL, IF ANY: