

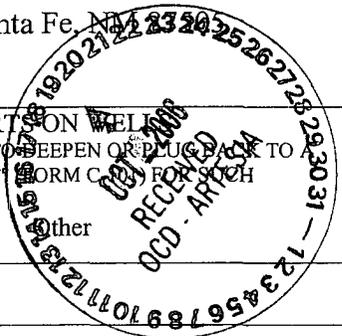
Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30-015-22548
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Kennedy JQ Com
8. Well Number 1
9. OGRID Number 025575
10. Pool name or Wildcat Kennedy Farms Upper Penn



SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG OR TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" FORM FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. 4th Street, Artesia, NM 88210

4. Well Location
 Unit Letter H : 2510 feet from the North line and 660 feet from the East line
 Section 33 Township 17S Range 26E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3339'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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
---	--

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.

Yates Petroleum Corporation plans to plug and abandon this well as follows:

NOTE: Pull a CBL/GR/CCL log to surface to find TOC from squeeze job pumped 3/29/06. If the cement circulated, place 150' plugs inside the 4-1/2" casing. Do not perforate the casing. In the intervals below where no cement is present outside the 4-1/2" casing, perf and squeeze with 50 sx.

- MIRU all safety equipment as needed. No casing recovery will be attempted.
- Set a CIBP at 7170'. Load hole with plugging mud. Spot a 10 sx Class "C" cement plug from 7070'-7170'.
- Spot a 15 sx Class "C" cement plug from 6620'-6720' across the Cisco top. WOC and tag the plug, reset if necessary.
- Perforate the casing at 5610'. Pump a 50 sx Class "C" cement plug and displace it to 5510'. This will leave a plug across the WC top. WOC and tag plug, reset if necessary.
- Perforate the casing at 4390'. Pump a 50 sx Class "C" cement plug and displace it to 4290'. This will leave a plug across the Abo top. WOC and tag plug, reset if necessary.
- Perforate the casing at 4030'. Pump a 50 sx Class "C" cement plug and displace it to 3930'. This will leave a 100' plug in and outside the casing.
- Spot a 15 sx plug from 2351'-2451'. This will leave a plug across the Glorieta top. WOC and tag plug, reset if necessary.
- Spot a 15 sx plug from 1393'-1493'. This will leave a plug across the intermediate casing shoe. WOC and tag plug, reset if necessary.
- Spot a 15 sx plug from 379'-479'. This will leave a plug across the surface casing shoe. WOC and tag plug, reset if necessary.
- Spot a 15 sx plug from 0-150'. This will leave a surface plug. WOC and tag plug, reset if necessary.
- Remove all surface equipment and weld dry hole marker per regulations.

NOTE: Yates Petroleum Corporation will use steel pits and no earth pits

Notify OCD 24 hrs. prior to any work done.

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 Tina Huerta TITLE Regulatory Compliance Supervisor DATE October 16, 2006

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only
 APPROVED BY: [Signature] TITLE Field Supv DATE 10/19/06
 Conditions of Approval (if any):

WELL NAME: Kennedy JQ Com #1 FIELD: Kennedy Farms Morrow

LOCATION: 2510' FNL & 660' FEL, Sec 33-17S-26E Eddy County

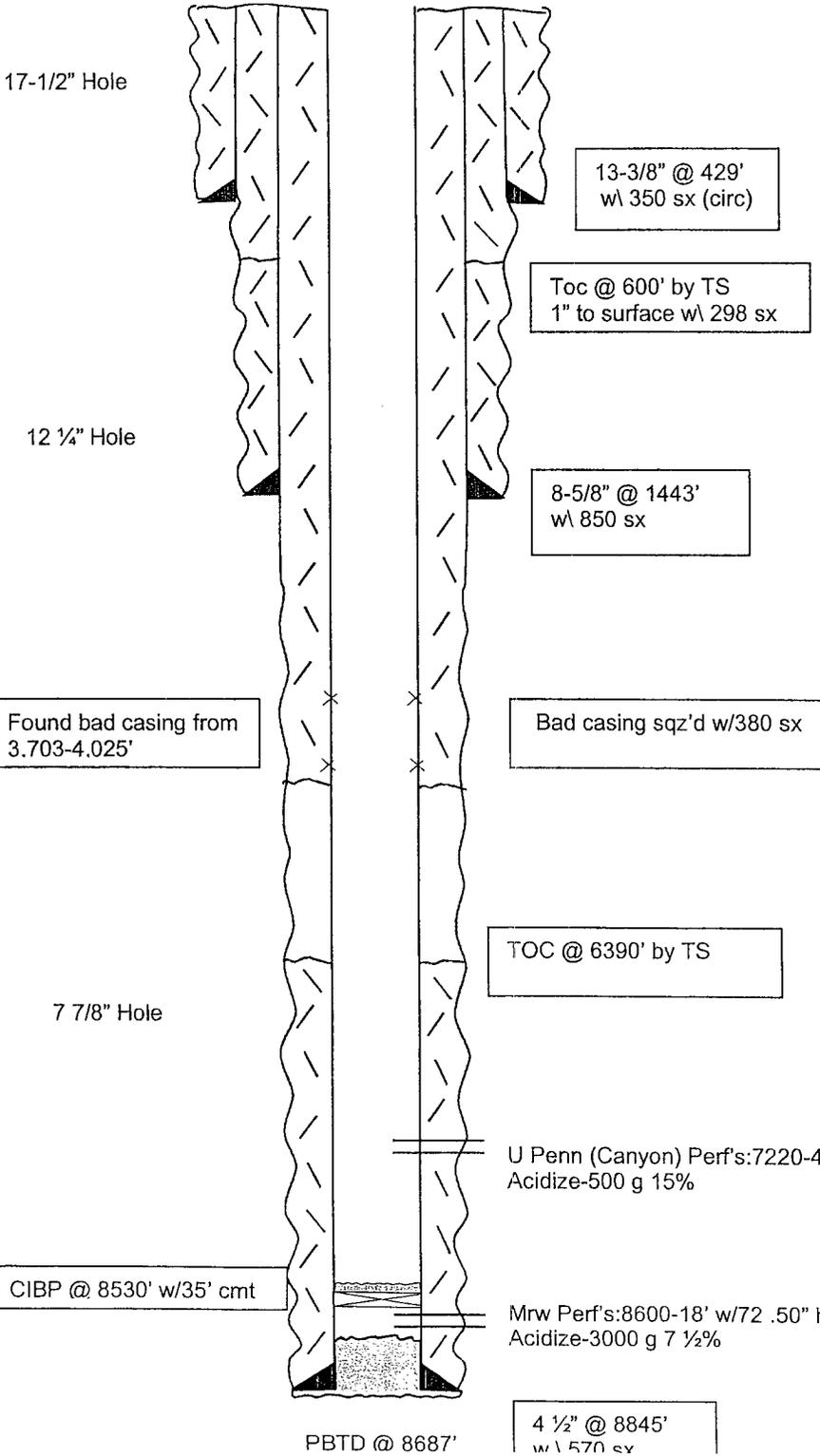
GL: 3339' ZERO: KB: 3352'

SPUD DATE: 5-22-78 COMPLETION DATE: 7-6-78

COMMENTS: API# 30-015-22548

CASING PROGRAM

13-3/8" 48# H40	429'
8-5/8" 24# K55 ST&C	1443'
4 1/2" 10.5# & 11.6# N-80 ST&C	8845'
2.375" tubing w/ TA @ 8,359'	



Before

TOPS:

SA	970'
Glorieta	2,451'
Tubb	3,740'
Abo	4,390'
WC	5,610'
Cisco	6,720'
Strawn	7,840'
Morrow	8,540'
L. Morrow	8,640'
Miss	8,675'

Not to Scale
9/15/06
DC/M.Hill

WELL NAME: Kennedy JQ Com #1 FIELD: Kennedy Farms Morrow

LOCATION: 2510' FNL & 660' FEL, Sec 33-17S-26E Eddy County

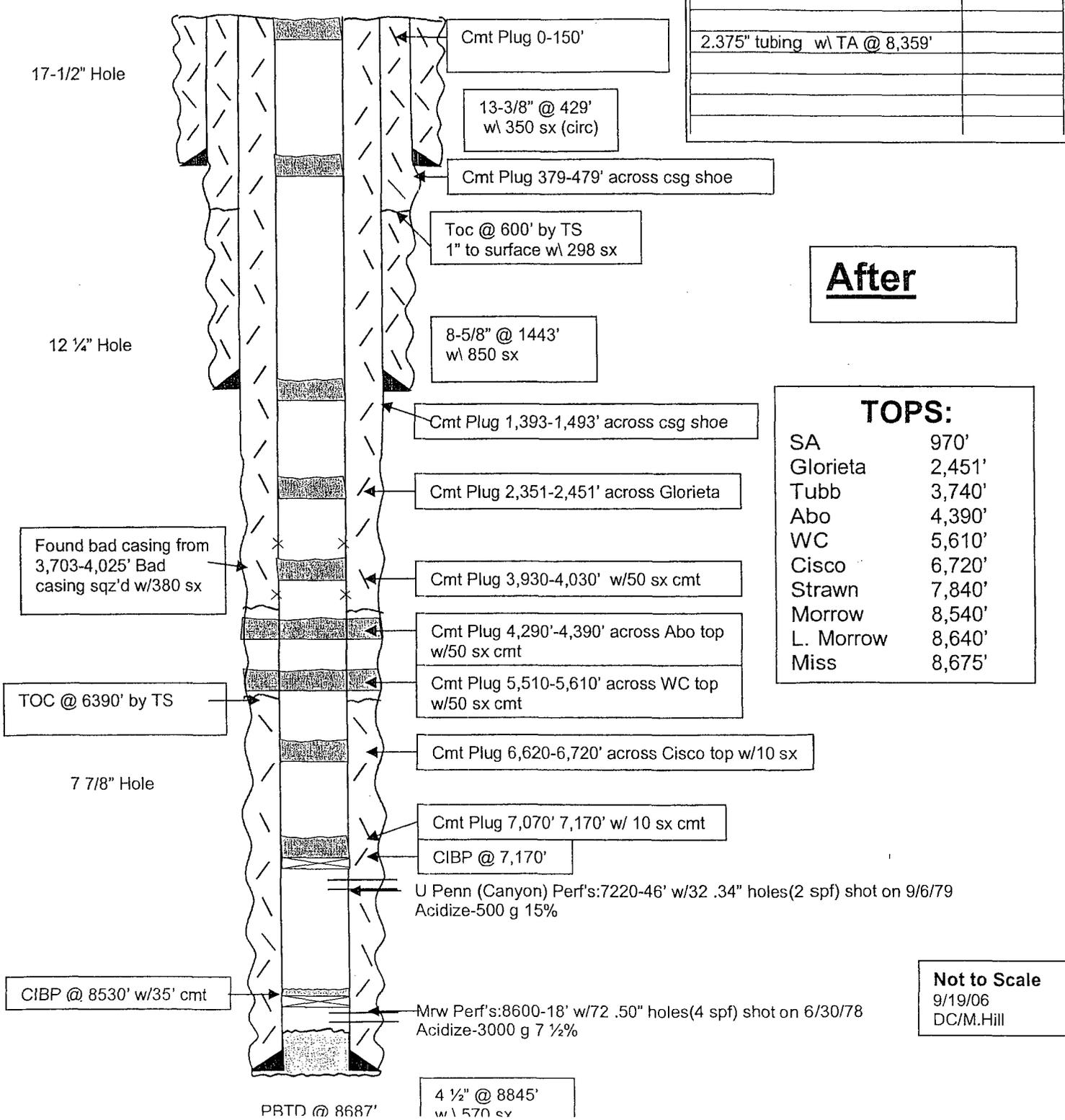
GL: 3339' ZERO: KB: 3352'

SPUD DATE: 5-22-78 COMPLETION DATE: 7-6-78

COMMENTS: API# 30-015-22548

CASING PROGRAM

13-3/8" 48# H40	429'
8-5/8" 24# K55 ST&C	1443'
4 1/2" 10.5# & 11.6# N-80 ST&C	8845'
2.375" tubing w\ TA @ 8,359'	



After

TOPS:

SA	970'
Glorieta	2,451'
Tubb	3,740'
Abo	4,390'
WC	5,610'
Cisco	6,720'
Strawn	7,840'
Morrow	8,540'
L. Morrow	8,640'
Miss	8,675'

Not to Scale
9/19/06
DC/M.Hill