

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 87401  
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  
June 19, 2008

<b>RECEIVED</b> <b>HOBBES</b> CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505		WELL API NO. 30-005-21162
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-2662
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Tres Canal BAL State
4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>26</u> Township <u>8S</u> Range <u>33E</u> NMPM <u>Chaves</u> County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4347'GR		9. OGRID Number 025575
		10. Pool name or Wildcat Tobac; Upper Penn

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

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.

7/1/08 - Tagged composite plug at 10,590'. Moved downhole 130'. Set an RBP at 9800', tested to 1000 psi, held good. Re-acidized Bough with 1500g 15% IC acid and 36 balls.  
7/7/08 - Tested casing to 500 psi, held OK. SN at 9413'. 2-7/8" tubing at 9450'.

Spud Date:

Rig Release Date:

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

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE July 28, 2008

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: Chris Williams TITLE DISTRICT SUPERVISOR/GENERAL MANAGER DATE AUG 07 2008  
Conditions of Approval (if any):

District I  
1625 N. French Dr , Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
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1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr , Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-104  
Revised Feb. 26, 2007

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575	
		<sup>3</sup> Reason for Filing Code/ Effective Date RC	
<sup>4</sup> API Number 30-005-21162	<sup>5</sup> Pool Name Tobac; Upper Penn		<sup>6</sup> Pool Code 59350
<sup>7</sup> Property Code 26435	<sup>8</sup> Property Name Tres Canal BAL State		<sup>9</sup> Well Number 1

II. <sup>10</sup> Surface Location

UL or lot no. K	Section 26	Township 8S	Range 33E	Lot Idn	Feet from the 1980	North/South Line South	Feet from the 1980	East/West line West	County Chaves
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<sup>11</sup> Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Lse Code S	<sup>13</sup> Producing Method Code P	<sup>14</sup> Gas Connection Date 6/9/08	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date				

III. Oil and Gas Transporters

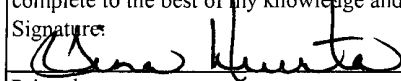
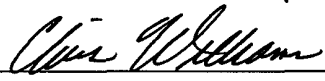
<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> O/G/W
016696	Occidental Energy Trans. LLC 5 Greenway Plaza Suite 110 Houston, TX 77046	O
024650	Targa Midstream Services Ltd Prr 1000 Louisiana Suite 4700 Houston, TX 77000-5050	G

IV. Well Completion Data

<sup>21</sup> Spud Date RC 5/18/08	<sup>22</sup> Ready Date 6/8/08	<sup>23</sup> TD 11,630'	<sup>24</sup> PBTD 9800'	<sup>25</sup> Perforations 9288'-9303'	<sup>26</sup> DHC, MC
<sup>27</sup> Hole Size	<sup>28</sup> Casing & Tubing Size	<sup>29</sup> Depth Set	<sup>30</sup> Sacks Cement		
REFER TO ORIGINAL COMPLETION					

V. Well Test Data

<sup>31</sup> Date New Oil 6/9/08	<sup>32</sup> Gas Delivery Date 6/9/08	<sup>33</sup> Test Date 7/19/08	<sup>34</sup> Test Length 24 hrs	<sup>35</sup> Tbg. Pressure 360 psi	<sup>36</sup> Csg. Pressure 50 psi
<sup>37</sup> Choke Size NA	<sup>38</sup> Oil 80	<sup>39</sup> Water 33	<sup>40</sup> Gas 181		<sup>41</sup> Test Method Pump Test

<sup>42</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION	
Printed name: Tina Huerta		Approved by: 	
Title: Regulatory Compliance Supervisor		Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
E-mail Address: tinah@ypcnm.com		Approval Date: AUG 07 2008	
Date: July 28, 2008		Phone: 575-748-4168	