

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

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

June 16, 2008

<p align="center"><b>SUNDRY NOTICES AND REPORTS ON WELLS</b></p> <p>(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.)</p>		<p>WELL API NO. 30-025-38489</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil &amp; Gas Lease No. VA-1950</p>
<p>3. Address of Operator 105 S. 4<sup>th</sup> Street, Artesia, New Mexico 88210</p>		<p>7. Lease Name or Unit Agreement Name Merle State Unit</p>
<p>4. Well Location Unit Letter J : 1980 feet from the South line and 1980 feet from the East line Section 25 Township 10S Range 34E NMPM County Lea</p>		<p>8. Well Number 16</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4159' GR</p>		<p>9. OGRID Number 25575</p>
<p>10. Pool name or Wildcat Lane, Abo, Southeast</p>		

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

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.

Yates Petroleum Corporation wishes to extend the captioned well's APD expiration date for two (2) years to August 9, 2010.

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Abo formation to meet the OCD's minimum requirements for the drilling of a contingency plan per Rule 118.

**RECEIVED**

AUG - 1 2008

**HOBBS OCD**

*Expires 8/9/2010*

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

SIGNATURE Clifton R. May TITLE Regulatory Agent/Land Department DATE July 31, 2008

Type or print name Clifton R. May E-mail address cliff@ypcnm.com PHONE: (575) 748-4347

**For State Use Only**

APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE AUG 06 2008  
Conditions of Approval (if any):

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, 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 Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name <i>LANE ABO SE</i>
Property Code	Property Name <b>MERLE STATE UNIT</b>	Well Number <b>16</b>
OGRID No. <b>025575</b>	Operator Name <b>YATES PETROLEUM CORP.</b>	Elevation <b>4159'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>J</b>	<b>25</b>	<b>10 S</b>	<b>34 E</b>		<b>1980</b>	<b>SOUTH</b>	<b>1980</b>	<b>EAST</b>	<b>LEA</b>

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <i>40</i>	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p><b>SURFACE LOCATION</b> Lat - N33°24'58.97" Long - W103°24'54.90" SPC- N.: 880266.3 E.: 821480.4 (NAD-83)</p> <p><i>VA-1950</i></p> <p>1980'</p> <p>1980'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Clifton May</i> 7/31/08 Signature Date</p> <p><i>CLIFTON MAY</i> Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>JULY 31, 2007</b></p> <p>Date Surveyed</p> <p>Signature <i>GARY L. JONES</i> Professional Seal Certificate No. <i>7977</i></p>
	<p><b>BASIN SURVEYS</b></p>
	<p>Certificate No. <i>GARY L. JONES 7977</i></p>