

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

RECEIVED
OCT 08 2008
HOBBS, NM

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

WELL API NO. 30-025-39117
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. V-5617
7. Lease Name or Unit Agreement Name Kris BMV State Com
8. Well Number 3
9. OGRID Number 025575
10. Pool name or Wildcat Eight Mile Draw; Mississippian

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 [] Gas Well [X] Other []
2. Name of Operator Yates Petroleum Corporation
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210
4. Well Location Unit Letter A : 660 feet from the North line and 990 feet from the East line
Section 34 Township 11S Range 34E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4159' GR

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 []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: Spud [X]

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.

10/01/08 Spudded 12-1/4" hole @ 9:30 a.m. TD = 10'. Notified Sylvia Dickey w/Hobbs NMOCD via e-mail.

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 Allison Barton TITLE Regulatory Compliance Technician DATE 10/03/08

Type or print name Allison Barton E-mail address: abarton@ypcnm.com PHONE: (575) 748-4385

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE OCT 10 2008

Conditions of Approval (if any):