

**DELIVERED**  
NOV 14 2008  
District I  
1625 N. French Blvd., 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

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

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| WELL API NO.<br>30-025-38476  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.<br>VO-5301   |
| 7. Lease Name or Unit Agreement Name<br>Strait BLP State  |
| 8. Well Number<br>2   |
| 9. OGRID Number<br>025575   |
| 10. Pool name or Wildcat<br>Sand Springs; Mississippian   |

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| <p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br/>(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>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/></p> |  |
| <p>2. Name of Operator<br/>Yates Petroleum Corporation</p>  |  |
| <p>3. Address of Operator<br/>105 S. 4<sup>th</sup> Street, Artesia, NM 88210</p>   |  |
| <p>4. Well Location<br/>Unit Letter <u>A</u> : <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line<br/>Section <u>32</u> Township <u>10S</u> Range <u>34E</u> NMPM <u>Lea</u> County <u></u></p>   |  |
| <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br/>4227' GR</p>  |  |
| <p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p> <p>Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____</p> <p>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: Drilling 5' of new hole ☒

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.

11/12/08 Made 5' of new hole @ 9:30 a.m. TD = 65'. Hole size 12-1/4". Notified Sylvia Dickey w/Hobbs NMOCD via e-mail.

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 Allison Barton TITLE Regulatory Compliance Technician DATE 11/13/08

Type or print name Allison Barton E-mail address: abarton@ypcnm.com Telephone No. (575) 748-1471

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE NOV 17 2008

Conditions of Approval (if any):