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MYB 12/8/2008

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Submit 2 Copies To Appropriate District
Office

State of New Mexico

Form C-103

October 25, 2007

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
HOBBSOCD

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. ✓ ✓

30-025-38821

5. Indicate Type of Lease

STATE ☒ FEE ☐ ✓

6. State Oil & Gas Lease No.

VA-1946

7. Lease Name or Unit Agreement Name

Merle State Unit ✓ ✓

8. Well Number #18 ✓

9. OGRID Number

025575 ✓

10. Pool name or Wildcat ✓

Sand Springs Permo U/Penn

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 ☒ Other PA

2. Name of Operator

Yates Petroleum Corporation ✓

3. Address of Operator

105 S. 4th Street, Artesia, NM 88210

4. Well Location

Unit Letter E: 1650 feet from the North line and 990 feet from the West line

Section 23 Township 10S Range 34E NMPM County Lea

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

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 AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

☒ Location is ready for OCD inspection after P&A

☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.

☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.

☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

**OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR
UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR
PERMANENTLY STAMPED ON THE MARKER'S SURFACE.**

☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.

☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.

☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.

☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)

☒ All other environmental concerns have been addressed as per OCD rules.

☒ Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE Mike Stubblefield TITLE Environmental Regulatory Agent DATE 12/2/2008

TYPE OR PRINT NAME Mike Stubblefield E-MAIL: mike@ypc.nm.com PHONE: 505-573-1212
For State Use Only

APPROVED BY: Mailey J. Brown TITLE Compliance Officer DATE 12/8/2008

Conditions of Approval (if any):

COMPLIANCE OFFICER