

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

87505

RECEIVED

JAN 05 2009

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-38403

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Milsap State Unit

8. Well Number 3

9. OGRID Number

025575

10. Pool name or Wildcat

Hightower; Devoian

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 ☐

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter K : 1878 feet from the South line and 1874 feet from the West line

Section 25 Township 12S Range 33E NMPM Lea County

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

4233' 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 ☐

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 respectfully request to change from Reserve Pit to Closed Loop System. Enclosed is a diagram of the Closed Loop System.

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

SIGNATURE Clifton May TITLE Regulatory Agent DATE 1/2/2009

Type or print name Clifton May E-mail address: cliff@yatespetroleum.com PHONE: 575-748-4347

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JAN 12 2009

Conditions of Approval (if any):

Milsap State Unit #3
1878 FSL and 1874 FWL, Unit K
Section 25, T12S-R33E
Lea County, New Mexico

