

Office

Energy, Minerals and Natural Resources

June 19, 2008

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 21 2009****HOBBSOCD**

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-38889

5. Indicate Type of Lease

STATE ☒FEE ☐

6. State Oil & Gas Lease No.

V-5559

7. Lease Name or Unit Agreement Name

Merle BOE State Com

8. Well Number

17

9. OGRID Number

025575

10. Pool name or Wildcat

X-4 Ranch; Mississippian (Gas)

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 N : 660 feet from the South line and 1980 feet from the West line

Section 12 Township 10S Range 34E NMPM - Lea County

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

4182' 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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND 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.

10/19/09 Made 5' of new hole @ 2:00 p.m. TD = 70'. Notified Sylvia Dickey w/Hobbs NMOCDD via e-mail.

*Depth to Ground Water
65'***Accepted for Record Only**

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 10/20/09Type or print name Allison Barton E-mail address: abarton@yatespetroleum.com PHONE: (575) 748-4385**For State Use Only**APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE OCT 23 2009

Conditions of Approval (if any):

Accepted for Record Only