

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

FEB 09 2010
HOBBS

<p align="center">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.)</p>		<p>WELL API NO. 30-025-39609</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> REVISED</p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Yates Petroleum Corporation</p>		<p>6. State Oil & Gas Lease No. V-7302</p>
<p>3. Address of Operator 105 South Fourth Street, Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Caravan State Unit</p>
<p>4. Well Location Unit Letter <u>B</u> : <u>660</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>32</u> Township <u>24S</u> Range <u>33E</u> NMPM Lea County</p>		<p>8. Well Number 1</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc) 3499' GR</p>		<p>9. OGRID Number 025575</p>
<p>10. Pool name or Wildcat Triste Draw, Atoka, East (Gas)</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 ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

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

OTHER ☐

OTHER ☒ Spud

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1/31/10 Spudded well @ 12:00 noon. TD 80'. Set 80' of 20" conductor. Cemented w/Redi-mix. Notified Robert Harrison w/Hobbs NMOCD via telephone.

Spud Date:

1/31/10

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 2/05/10

Type or print name Allison Barton E-mail address: abarton@yatespetroleum.com PHONE: (575) 748-1471

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE FEB 11 2010

Conditions of Approval (if any):