

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

October 13, 2009

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HOBBSD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-37075

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VA-2149

7. Lease Name or Unit Agreement Name

Faron State Unit

8. Well Number

1

9. OGRID Number

025575

10. Pool name or Wildcat

Button Mesa; Strawn, South (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 B : 760 feet from the North line and 1830 feet from the East lineSection 5 Township 9S Range 32E NMPM = Lea = County

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

4410' 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: ☐Name Change ☒

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.

OPER OGRID NO. 25575PROPERTY NO. 38859POOL CODE 97462EFF. DATE 3-18-10API NO. 30-025-37075

Former Well Name:

Faron State Unit #1

New Well Name:

Faron BPO State Com #1

Effective 3/18/10

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 3/05/10Type 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 MAR 09 2010

Conditions of Approval (if any)