

HOBBS, ARTESIA, AZTEC, SANTA FE NMOCD DISTRICT OFFICE

C-104 DENIAL NOTICE

3/22/10 (Date of Denial) Donna Mall (Contact person) 575-393-6161 (Phone) Ext 115

Operator Yates Petroleum Corp OGRID 25575
Well Name Kochia AAM State #1 API Number 30-025-28905
Pool Code 97

Your recent form C-104 for the above well is hereby rejected for the following reason(s):

C-103 Subsequent Report with complete casing and cement data not received

C-103 Subsequent Report with Completion Report not received

C-105 not received or incomplete

* ~~C-101~~ and C-102 not in agreement as to completion information

Logs not received

Part 5.9 violations (Specifically _____)

Directional/Deviation Survey required

C-102 that shows the results of the Directional Drill Survey and resulting bottom hole location

* ~~NSL/NSP~~ not approved

C-104 omitted information

Section I information (name, address, OGRID, etc.)

Section II information (surface location)

Section IV information (well completion data)

- Spud date
- Ready date
- TD
- PBTD
- Perfs
- Hole size, casing/tubing size, depth set, sacks cement

Section V information (well test data)

- Box Number _____

Signature _____ Printed Name and Title _____ E-mail Address _____ Date _____ Phone _____

* Other NSL-5127 doesn't include Penn
DHC-3805 doesn't include Penn
Both NSL & DHC need to be amended

The well completion identified above has not been granted an allowable to produce. This well completion shall not be produced until the New Mexico Oil Conservation Division issues an approved C-104. This will not take place until all of the items noted above are addressed to the NMOCD's satisfaction.