

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 MAR 25 2010 HOBBSUCD		WELL API NO. 30-005-29121 ✓
(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)		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		6. State Oil & Gas Lease No. VA-2123
2. Name of Operator Yates Petroleum Corporation ✓		7. Lease Name or Unit Agreement Name Patsy BPI State ✓
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		8. Well Number 7 ✓
4. Well Location Unit Letter <u>O</u> : <u>660</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>35</u> Township <u>11S</u> Range <u>31E</u> NMPM <u>Chaves</u> County ✓		9. OGRID Number 025575 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4450' GR		10. Pool name or Wildcat Wildcat; Mississippian ✓

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

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

3/17/10 Made 5' of new hole @ 1:00 p.m. TD = 15'. Hole size 12-1/4". Notified Sylvia Dickey w/Hobbs NMOCD via e-mail.

Accepted for Record Only

Spud Date:

2/26/10

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 3/22/10

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 MAR 26 2010

Conditions of Approval (if any):

Accepted for Record Only