

Office

Energy, Minerals and Natural Resources

October 13, 2009

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

87505

RECEIVED

OIL CONSERVATION DIVISION

DEC 14 2010 220 South St. Francis Dr.

HOBBS NM 87505 Santa Fe, NM 87505

WELL API NO.

30-025-37544

5. Indicate Type of Lease

STATE ☒ FEE ☐ ☒

6. State Oil & Gas Lease No.

VO-7577

7. Lease Name or Unit Agreement Name

Milsap State Unit

8. Well Number

2

9. OGRID Number

025575

10. Pool name or Wildcat

Hightower; Lower Penn, East

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 H : 1980 feet from the North line and 660 feet from the East lineSection 36 Township 12S Range 33E NMPM Lea County

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

4221'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.

Former Wellname: Milsap State Unit #2

New Wellname: Milsap AXI State #2

Effective 12/30/10

OPER. OGRID NO. 25575
 PROPERTY NO. 38419
 POOL CODE 31390
 EFF. DATE 12-30-10
 API NO. 30-025-37544

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

TITLE

Regulatory Compliance Supervisor

DATE

December 13, 2010

Type or print name

Tina Huerta

E-mail address:

tinah@yatespetroleum.com

PHONE:

575-748-4168

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

DEC 28 2010

Conditions of Approval (if any):