

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

DEC 28 2010

HOBSOCD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-39341

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VA-1945

7. Lease Name or Unit Agreement Name

Merle BOJ State Com

8. Well Number

19H

9. OGRID Number

25575

10. Pool name or Wildcat

Wolfcamp

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 S. 4th Street, Artesia, New Mexico 88210

4. Well Location

Unit Letter E 1600 feet from the North line and 1100 feet from the West line Surface Hole

Section 14 Township 10S Range 34E NMPM County Lea Surface Hole

Unit Letter J 1450 feet from the South line and 2000 feet from the East line Bottom Hole

Section 11 Township 10S Range 34E NMPM County Lea Bottom Hole

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

4189' 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 COMPLETIONS ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☒ Extend APD

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation wishes to extend the Application for Permit to Drill for two years until February 16, 2013.

maximum 1 yr extension

Thank you,

APD Expires: 02-16-2012

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Monti Sanders TITLE Land Regulatory Technician DATE December 27, 2010

Type or print name Monti Sanders E-mail address: montis@yatespetroleum.com PHONE: (575) 748-4244

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE DEC 28 2010

Conditions of Approval (if any):