| Form C- | 103    |
|---------|--------|
| Revised | 1-1-89 |

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| lo Appropriate<br>District Office   | Revised 1-1-89                                  |  |  |  |  |  |  |
|---|---|--|--|--|--|--|--|
| State of New Mexico   |   |  |  |  |  |  |  |
| DISTRICT   Energy, Minerals and Natural Resources Department                            |   |  |  |  |  |  |  |
|   | 30-025-35422                                    |  |  |  |  |  |  |
| P.O. Drawer DD, Artesia NM 88210 P.O. Box 2088  |   |  |  |  |  |  |  |
| DISTRICT III Santa Fe, New Mexico 87504-2088  | 5. Indicate Type of Lease                       |  |  |  |  |  |  |
| 1000 Rio Brazos Rd., Aztec NM 87410<br>SUNDRY NOTICES AND REPORTS ON WELLS              | State X Fee                                     |  |  |  |  |  |  |
| (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A             | 7. Lease Name or Unit Agreement Name            |  |  |  |  |  |  |
| DIFFERENT RESERVOIR. USE " APPLICATION FOR PERMIT"<br>(FORM C-101) FOR SUCH PROPOSALS.) |   |  |  |  |  |  |  |
| 1. Type of Well:  | Morton Unit                                     |  |  |  |  |  |  |
| OIL GAS   |   |  |  |  |  |  |  |
|   |   |  |  |  |  |  |  |
| 2. Name of Operator   | 8. Well No.                                     |  |  |  |  |  |  |
| YATES PETROLEUM CORPORATION   | 3   |  |  |  |  |  |  |
| 3. Address of Operator<br>105 South 4th Street, Artesia, NM 88210                       | 9. Pool Name or Wildcat<br>Morton Mississippian |  |  |  |  |  |  |
| 4. Well Location  | E.J.  |  |  |  |  |  |  |
| Unit Letter P : 800 Feet From The South Line and 660 Fee                                | et From The East Line                           |  |  |  |  |  |  |
| Section 32 Township 14S Range 35E NMPM Le   | a COUNTY  |  |  |  |  |  |  |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.)<br>4176' GR                          |   |  |  |  |  |  |  |
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data           |   |  |  |  |  |  |  |
|   |   |  |  |  |  |  |  |
| NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:   |   |  |  |  |  |  |  |
| PERFORM REMEDIAL WORK   | ALTERING CASING                                 |  |  |  |  |  |  |
| TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS.                                |   |  |  |  |  |  |  |
| PULL OR ALTER CASING TEST AND CEMENT JOB  | ]   |  |  |  |  |  |  |
|   |   |  |  |  |  |  |  |

Submit 3 copies

12. Describe Proposed or Completed Operations (Clearly state all pertient details, and give pertinenet dates, including estimated date of starting any proposed work) SEE RULE 1103.

TD 6141'. Reached TD @ 5:45 pm 9-1-01.Ran 145 jts 8-5/8" 32# MAV 80 & J-55 (6454.13') casing, set at 6087.12'. Cemented with 1650 sxs Interill "C" with 1/4# flocele + 5# gilsonite/sx (yld 2.42, wt 11.9). Tailed in with 250 sx "C" with 2% CaCl2 (yld 1.34, wt 14.8). PD @ 4:00 pm 9-2-0 Bumped plug to 1300# Held OK. Circulated 240 sx. WOC. Nippled down BOP. Cut off 13-5/8" wellhead & weld on 11"x8-5/8" 5K. Nippled up BOP. NOTE: Notified Sylvia Dickey w/OCD - Hobbs of operations. Drilled out @ 6:00 am 9-4-01. WOC 38 hours. Reduced hole to 7-7/8" & resumed drilling.

| I hereby certify that the information above a SIGNATURE | true and complete to the best of my knowledge and belief. | Operations Technician | DATE          | 5-Nov-01     |
|---|---|-----------------------|---------------|--------------|
| TYPE OR PRINT NAME                                      | Donna Clack   | <br>                  | TELEPHONE NO. | 505-748-1471 |
| APPROVED BY   | TITLE   | <br>                  |               |              |
| CONDITIONS OF APPROVAL. IF ANY:                         |   |                       |               |              |