Submit 3 Copies

CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico

Form C-103

to Appropriate District Office Et ay, Minerals and Natural Resources Department **Revised 1-1-89** DISTRICT OIL CONSERVATION DIVISION WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-025-33563 DISTRICT II Santa Fe, New Mexico 87504-2088 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease STATE X FEE L DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. VA-604 SUNDRY NOTICES AND REPORTS ON WELLS (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" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: WELL -WELL X Field APK State Com 2. Name of Operator 8. Well No. YATES PETROLEUM CORPORATION 3. Address of Operator 9. Pool name or Wildcat 105 South 4th St., Artesia, NM Lovington Strawn, West 4. Well Location Unit Letter Lot 10: 3500 Feet From The North 1880 East __ Line and Feet From The Section uship 16S Range 35E 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 16S Township **NMPM** Lea County 3990' GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON CHANGE PLANS** COMMENCE DRILLING OPNS PLUG AND ABANDONMENT **PULL OR ALTER CASING** CASING TEST AND CEMENT JOB OTHER: Resume drilling, surface casing & OTHER: cement 12. 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. Resumed drilling a 14-3/4" hole with rotary tools at 12:30 AM 2-21-97. TD 460'. Reached TD at 5:00 AM 2-21-97. Ran 11 joints of 11-3/4" 42# (463.55') of casing set at 460'. 1-Texas Pattern notched guide shoe set at 460'. Insert float set at 419'. Cemented with 400 sacks "C" and 2% CaCl2 (yield 1.34, weight 14.8). PD 10:45 AM 2-21-97. Bumped plug to 630 psi, OK. Circulated 80 sacks to pit. WOC. Nippled up and tested to 1000 psi for 1 minute, OK. Drilled out at 5:30 AM 2-22-97. WOC 18 hours and 45 minutes. Reduced hole to 11". Resumed drilling. I hereby certify that the information above is true and complete to the best of my knowledge and belief. Operations Technician PATE Feb. 25, 1997 SKINATURE Rusty Klein TELEPHONE NO. 505/748-1471 TYPE OR PRINT NAME Obiginal bloads by tecta sexton FEB 27 1997 (This space for State Use) DISTRICE I SUPERVISOR