

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-35079
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	

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 <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER
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2. Name of Operator	YATES PETROLEUM CORPORATION
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3. Address of Operator	105 South 4th St., Artesia, NM 88210
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4. Well Location	Unit Letter P : 660 Feet From The South Line and 660 Feet From The East Line
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Section 24	Township 15S	Range 34E	NMPM	Lea	County
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10. Elevation (Show whether DF, RKB, RT, GR, etc.)	4039' GR
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7. Lease Name or Unit Agreement Name	Arreguy AVP Com
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8. Well No.	1
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9. Pool name or Wildcat	Wildcat Mississippian
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Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: Kick-off plug & drill directional <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

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.

Yates Petroleum Corporation respectfully requests permission to set a kick-off plug and drill directional as follows:

A 300' 17.5#/gallon kick-off cement plug will be set from 8500-8200'. Kick-off point will be at approximately 8300' TVD and hole will build inclination at 2.5 degrees/100' to an angle of approximately 22.5 degrees. That angle will be carried for approximately 1850' and then start dropping the angle at 2.5 degrees/100' to be vertical over the target. Will then continue to drill vertically through the target to a total depth of 13100' TVD and 13367' MD. Please see attached tables and drawings for details.

A gyro survey was run for tie in at the kick-off point.

New bottom hole location: 1930' fSL & 1400' FEL of Section 24-T15S-R34E  
Surface location: 660' FSL & 660' FEL of Section 24-T15S-R34E

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

SIGNATURE Rusty Klein TITLE Operations Technician DATE Feb. 6, 2001

TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY: