Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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.
30-025-33809

5. Indicate Type of Lease
STATE [XX]   FEE [ ]

6. State Oil & Gas Lease No.
VA-0549

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.)

7. Lease Name or Unit Agreement Name

Xebec AQX State

1. Type of Well:
OIL WELL [X]   GAS WELL [ ]   OTHER

2. Name of Operator
YATES PETROLEUM CORPORATION

8. Well No.
1

3. Address of Operator
105 South 4th St., Artesia, NM 88210

9. Pool name or Wildcat
Vacuum Grayburg San Andres

4. Well Location

Unit Letter __H__ : __2310__ Feet From The __North__ Line and __330__ Feet From The __East__ Line

Section __31__   Township __17S__   Range __36E__   NMPM   __Lea__   County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3868' GR

11. 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 [ ]

OTHER: _____ [ ]

SUBSEQUENT REPORT OF:

REMEDIAL WORK [ ]   ALTERING CASING [ ]

COMMENCE DRILLING OPNS. [ ]   PLUG AND ABANDONMENT [ ]

CASING TEST AND CEMENT JOB [ ]

OTHER: Drill _____ [X]

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.

2-20-97 - Drilled from 10' to 15'. Made 5' of new hole (12-1/4"). NOTE: Notified OCD-Hobbs answering service.

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. 25, 1997

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

(This space for State Use)

FEB 27 1997

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: