

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Yates Energy Corporation

3a. Address  
P. O. Box 2323, Roswell, New Mexico, 88202

3b. Phone No. (include area code)  
505-623-4935

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1550' FSL & 860' FEL of Sec. 23, T-23S, R23E

5. Lease Serial No.  
NM111398

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No  
North Hess Federal "23" No. 1

9. API Well No.  
30-015-34509

10. Field and Pool, or Exploratory Area  
Strawn Formation

11. County or Parish, State  
Eddy, New Mexico

**12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Perforate</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Strawn formation</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Completion continued from April 15, 2006 Strawn formation.

Went in the hole and set RBP at 8785' K.B.

Spotted 250 gallons 10% Acetic acid.

Perforated the Strawn (8628', 30', 32', 34', 38', 41', 8643' (7 holes)

Perforated the Strawn (8702', 04', 06', 08', and 8710') 5 holes.

Made 3 swab runs, initial fluid level surface, final fluid level 4300' from surface, recovered 14 barrels load water.

Acidized with 3500 gallons 10% acetic acid.

4-25-06: Made 2 swab runs, initial fluid level 8100' from surface, recovered total of 1.5 barrels load water, final fluid level scattered with pockets at 7800'.

RECEIVED

MAY 12 2006

COUL-ARTESIA

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Sheryl L. TOWAS  
Signature *Sheryl L. Towas*

Title Agent for Yates Energy  
Date 5-2-06

ACCEPTED FOR RECORD

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by  
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title  
Office

Date MAY - 9 2006

ALEXIS C. SWOBODA  
PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Yates Energy Corporation

3a. Address  
P. O. Box 2323, Roswell, New Mexico, 882023b. Phone No. (include area code)  
505-623-4935

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1550' FSL &amp; 860' FEL of Sec. 23, T-23S, R23E

5. Lease Serial No.

NM111398

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

North Hess Federal "23" No. 1

9. API Well No.

30-015-34509

10. Field and Pool, or Exploratory Area  
Cisco Canyon formation

11. County or Parish, State

Eddy, New Mexico

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
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<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Perforate
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Cisco
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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Completion continued from April 26, 2006 Cisco formation.

Pulled up hole with RBP and set at 8472' K.B.

Spotted 250 gallons 15% HCL Ne/fe DI acid.

Perforated the Cisco Canyon (8334' to 8349' with 3 JSPF (15 holes) (3.375 chg - 22.7 GR-0.43 hole)

Swabbed and flow tested recovering 20.5 barrels fluid (0.5 BO and 20 BW), flow rate estimated 100 MCF.

Continuing to test.

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MAY 12 2006

OCD-ARTESIA

ACCEPTED FOR RECORD

MAY - 9 2006

ALEXIS C. SWORODA  
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Sheryl L. Jones

Title

Agent for Yates Energy Corp

Signature

Sheryl L. Jones

Date

5-2-06

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