

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or 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 Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

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

1980'FNL & 1980'FWL of Section 15-T20S-R24E (Unit F, SENW)

5. Lease Serial No.

NM-043625

6. If Indian, Allottee or Tribe Name

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

NM 82538 - pm

8. Well Name and No.

Saguaro AGS Federal Com #2

9. API Well No.

30-015-26310

10. Field and Pool, or Exploratory Area

Wildcat Bone Spring

11. County or Parish, State

Eddy County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<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 recompleat 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.)

Yates Petroleum Corporation plans to Temporarily Abandon this well as follows:

1. RIH with gauge ring and junk basket to +/-3995'.
2. Set a 7" CIBP at 3986' with 35' cement on top.
3. Load hole with packer fluid and run MIT, will note whom witnessed MIT.
4. Rig down and move out.

This well is a candidate for the horizontal Wolfcamp Shale that we are currently in the process of gathering information on to evaluate which has been discussed with Fred Wright (BLM-Carlsbad). There is also some Upper Yeso that has potential pending the horizontal evaluation. We hope to have the Wolfcamp Shale fully evaluated in a year + depending on the results of other wells testing.

Accepted for record
NMOCB

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Tina Huerta

Title

Regulatory Compliance Supervisor

Signature

Date

February 21, 2007

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

APPROVED

Date

FEB 27 2007

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

FREDERICK WRIGHT
PETROLEUM ENGINEER

WELL NAME: Saguaro AGS Federal #2 FIELD: Dagger Draw

LOCATION: 1,980' FNL & 1,980' FWL of Section 15-20S-24E Eddy Co., NM

GL: 3,677' ZERO: KB: 3,694

SPUD DATE: 4/9/90 COMPLETION DATE: 6/22/90

COMMENTS: API No.: 30-015-26310

CASING PROGRAM

9-5/8" 36# J55 sTC	1,219'
7" 26# J55/N80	9,440'

14-3/4" Hole

Cmt Plug 1,169-
1,269' w/25 sx cmt

9-5/8" @ 1,219'
w/1,000 sx cmt (Circ)

BS Dolo Perfs: 4,036-4,050'; 4,062'-4,070';
4,076-4,088'

CIBP @ 5,394' w/
100' cmt plug

8-3/4" Hole

CIBP @ 7,384'
w/35' cmt plug

RBP pushed to
bottom 12/13/94

TD: 9,440'

7" @ 9,440'
1st Stage: 1,975 sx (Circ)
2nd Stage: 1,060 sx (Circ)

Before

TOPS

SA	456'
Glorieta	1,982'
Yeso	2,055'
BS	3,332'
Abo	4,626'
WC Lm	5,394'
Canyon	7,434'
Strawn	8,069'
Atoka	8,680'
Morrow Cl	9,036'
Chester	9,344'

Comments:

4/28/90 DST #1 6,864-6,951'
5/2/90 DST #2 7,236-7,299'
5/25/90 Perf 7,551-7,693'
5/25/90 Acidize 7689-7,693' w/
300 g 20%
7,655-7,661' w/ 300 g
7,579-7,581' w/ 300 g
7,551-7,955' w/300 g
Swab 7,551'-7,693' F
809# x1/2"
12/13/97 AFE shows RBP was
stuck in DV & pushed to bottom

Not to Scale

1/4/07
DC/Moss

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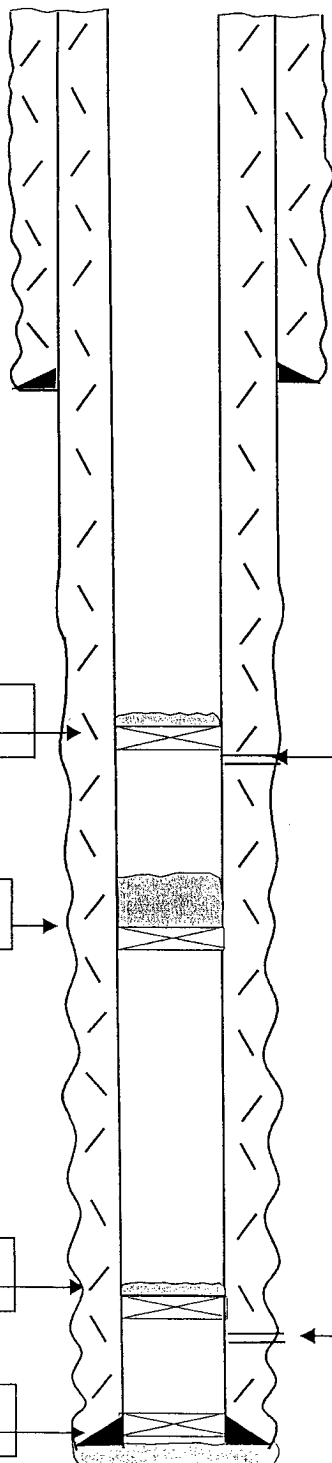
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7,655-7,661'; 7,684-7,693'

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