

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

AUG 02 2007

2. Name of Operator

Yates Petroleum Corporation

OCD-ARTESIA

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)

2543'FNL & 947'FWL of Section 26-T21S-R24E (Unit E, SWNW) Surface Location
1980'FNL & 660'FWL of Section 26-T21S-R24E (Unit E, SWNW) BHL

5 Lease Serial No.

NM-101080

6 If Indian, Allottee or Tribe Name

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

NM 118398 DM

8 Well Name and No.

Shafer BHS Federal Com #1

9 API Well No

30-015-35001

10 Field and Pool, or Exploratory Area

Undes. Indian Basin; Morrow

11. County or Parish, State

Eddy County, New Mexico

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input 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 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 Intermediate |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Casing |
| | <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.)

- 5/28/07 Lost circulation at 1935'. Pumped 200 sx Thixotropic. Tailed in with 100 sx "C" with additives. WOC. Drilled through cement and circulated hole clean.
- 5/29/07 Pumped 200 sx Premium "C" with additives. Tailed in with 100 sx Premium "C" with additives. WOC. Drilled through cement and circulated hole clean.
- 5/30/07 Pumped 250 sx Premium Plus "C" with additives. Tailed in with 100 sx Premium "C" with additives. Tagged cement at 1156'. WOC. Drilled through cement and circulated hole clean.
- 6/4/07 Pumped 250 sx Thixotropic and 100 sx "C" with additives. WOC. Drilled through cement and circulated hole clean.
- 6/23/07 Set 7" 26# L-80 J-55 casing at 8798'. Cemented stage 1 with 150 sx Super "H" + 0.4% CFR-3 + 0.5% Halad + 0.1% HR-7 + 1#/sx Salt (yld 1.67, wt 13). Cemented stage 2 with 100 sx Super "H" + 0.4% CFR-3 + 0.5% Halad4-344 + 1% HR-7 + 1#/sx Salt (yld 1.67, wt 13). Tailed in with 100 sx Class "H" (yld 1.18, wt 15.6). Tested casing to 1500 psi for 30 min. WOC 66 hrs 15 min. Reduced hole and resumed drilling.

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

Name (Printed/Typed)

Tina Huerta

Title Regulatory Compliance Supervisor

Signature

(Signature)

Date

July 3, 2007

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

JUL 29 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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Accepted for record - NMOCD

8/3/07