Form 348-5 (Septem Oil Cons. N.M. DIV-Dist. 2 **UNITED STATES** (September 2001) FORM APPROVED DEPARTMENT OF THE INTERIOR 1301 W. Grand Avenue OMB No. 1004-0135 BÜREAU OF LAND MANAGEMENT Expires January 31, 2004 Artesia, NM 88210 RECEIVE UNDRY NOTICES AND REPORTS ON WELLS 5. Lease Serial No. Do not use this form for proposals to drill or re enter an NM-2351 abandoned well. Use Form 3160-3 (APD) for such proposals. 6. If Indian, Allottee or Tribe Name ี้< S⊎BMักวังN TRIPLICATE - Other instructions on reverse side 7. If Unit or CA/Agreement, Name and/or No. 1. Type of Well Oil Well Gas Weil Other 8. Weil Name and No. 2. Name of Operator Federal HY #12 Yates Petroleum Corporation 9. API Well No. 3a Address 3b. Phone No. (include area code) 30-005-63503 105 S. 4th Str., Artesia, NM 88210 505-748-1471 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) Pecos Slope Abo 11. County or Parish, State 990'FNL and 1980'FWL (Unit C, NENW) of Section 28-T7S-R25E Chaves County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Other Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon 1st Production Final Abandonment Notice Convert to Injection Water Disposal 13. Describe Proposed of 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 recomplete 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.) Date of 1st production 3/11/03. ACCEPTED FOR RECORD ARMANDO A. LOPEZ PETROLEUM ENGINEER 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta Title Regulatory Compliance Supervisor March 13, 2003 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Date 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 Office which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willbully 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