

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**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.**

Well Seal No.  
NMNM92154

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA/Agreement, Name and/or No. NMNM106841
Contact: TINA HUERTA E-Mail: tinah@ypcnm.com		8. Well Name and No. PAY AYY FEDERAL COM. 2
3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505-748-4168 Fx: 505.748.4585	9. API Well No. 30-005-63706-00-X1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T8S R26E SWSW 660FSL 660FWL		10. Field and Pool, or Exploratory WILDCAT PRECAMBRIAN
		11. County or Parish, and State CHAVES COUNTY, NM

**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 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Well Spud
	<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.)

1/14/05 Spudded well at 8:30 AM.  
1/19/05 Resumed drilling at 5:30 PM.  
1/20/05 Set 8-5/8" 24# casing at 1148'. Cemented with 100 sx RFC (10-2-A) .25 PPS D29, 5 PPS D24 (yld 1.6, wt 14.2) and 600 sx 35:65 Poz w/6% D20, 5% D44, 3% S1, 5 PPS D24, .2% D48, .25 PPS D29 (yld 2.1, wt 12.6). Tailed in with 200 sx "C" w/2% S1 (yld 1.32, wt 14.8). Cement did not circulate to surface. Ran 1" cement to surface with 300 sx Class "C" w/3% CaCL2. Tested casing to 1500 psi for 30 min. WOC 18 hrs. Reduced hole to 7-7/8" and resumed drilling.

RECEIVED

MAR 10 2005

UD-ARTESIA

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #53329 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Roswell Committed to AFMSS for processing by ARMANDO LOPEZ on 01/24/2005 (05AL0125SE)</b>	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 01/24/2005

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

Approved By <b>ACCEPTED</b>	ARMANDO A LOPEZ Title PETROLEUM ENGINEER	Date 03/07/2005
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.		Office Roswell

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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***