

N.M. Oil Cons. DIV-Dist. 2
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1301 W. Grand Avenue
Alamosa, NM 88210FORM 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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

MAY 10 2005

2. Name of Operator

Yates Energy Corporation

OCD-ALAMOSA

3a. Address

P. O. Box 2323, Roswell, NM 88202

3b. Phone No. (include area code)

505-623-4935

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

660' FNL and 660' FEL of Section 26, T-23-S, R-23-E

5. Lease Serial No.
NM-69333

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Lonesome Dove Federal #2

9. API Well No.

30-015-33873

#2

10. Field and Pool, or Exploratory Area
Hess Morrow East

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 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 checked="" 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	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

Casing Report

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 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.)

Spudded well at 11:00 PM April 30, 2005 drilled to 380' K.B.

Drilling program called for 13.375" casing to be set at 350' K.B. Casing was actually set and cemented at 340' K.B. due to a ledge, permission received from Mr. Jim Amos with the BLM in Carlsbad.

7:45 PM May 2, 2005 ran 8 joints of 13.375" 48#/ft., 8rd ST&C, H-40 casing set at 340' K.B.

1:30 AM May 3, 2005 cemented with 450 sacks Class "C" with 2% CaCl₂ and 1/4# flocele (14.8#/gallon, Yield 1.35 cf/sx.).

Plug did not hold, did not circulate cement Tagged top of cement at 71' K.B. in annulus. Filled annulus with 18 cubic yards ready-mix, 1.8 cubic yards pea gravel and 1 cubic yard "chat". Waited on cement 25 hours, (after 1-inch waited on cement 11.5 hours).

9:00 AM 5/4/05, tested hydrlil, well head, and kill manifold to 800 psig and held for 30 minutes with rig pump.

5/5/05: Drilling formation at 835' (averaging 39.4 fph.)

ACCEPTED FOR RECORD

MAY - 9 2005

LES BABYAK

PETROLEUM ENGINEER

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

Sheryl L. Jonas

Title Agent for Yates Energy Corporation

Signature

Sheryl L. Jonas

Date

5/5/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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 which would entitle the applicant to conduct operations thereon.

Office