

UNITED STATES V. Grand Avenue  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT NM 88210FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## 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.

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Yates Energy Corporation

3a. Address  
P. O. Box 2323, Roswell, New Mexico 882023b. Phone No. (include area code)  
505-623-49354. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1550' FSL & 860' FEL of Sec. 23, T-23S., R-23E

5. Lease Serial No.

NM 111398

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No

North Hess Federal "23" #1

9. API Well No.

30-015-34509

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 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 weekly drilling
	<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	

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.)

Week of February 5, 2006 - February 12, 2006.

Drilled from 8771' to 10,000'.

Formation Shale and Lime, @10,000' 20% lime, 20% shale, 60% sand..

Deviation survey @8993' 2 1/4 degree; @9281' 2 degrees; @9464' 2 degrees.

DST No. 3 7143' to 7210' (Wolfcamp) (see attached copy of test) Gas to surface in 1 hour and 45 minutes with 1' - 2' flare, estimated rate 4.6

Circulate samples at 9098'; @9943'; circulate out drilling break from 9963' to 9983'.

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

Sheryl L. Jonas

Title Agent for Yates Energy Corporation

Signature

Date

03/07/2006

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by ~~DAVID E. GLAZ~~ DAVID E. GLAZ

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

Title 18 U.S.C. Section 1001 and Title 18 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.

(Instructions on page 2)