FORM APPROVED UNITED STATES Form 3160-5 Budget Bureau No. 1004-0135 (June 1990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 5. Lease Designation and Serial No. BUREAU OF LAND MANAGEMENT NM-045276 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE I. Type of Well Oil Well X Gas Well 8. Well Name and No. 2. Name of Operator Preston Federal #25 (505) 748-1471)YATES PETROLEUM CORPORATION 9. API Well No. 3. Address and Telephone No. 30-015-30120 105 South 4th St., Artesia, NM 88210 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Wildcat Morrow 11. County or Parish, State 660' FSL & 2310' FWL of Section 34-T20'S-R23E (Unit N. SESW) Eddy Co., NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12 TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Abandonment X Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Conversion to Injection Dispose Water Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markets and zones pertinent to this work.)* Cory Frederick, Drilling Engineering Tech, received verbal permission from Les Babyak with BLM/Roswell to revise the H2S Contingency Plan. Please see the attached revised H2S Contingency Plan.

Title 18 U.S.C. Section 1001, makes 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.

(This space for Federal or State office use)

Operations Technician

Date June 5, 1998