

Electronic
Xaradu #1

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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DEC 3 2004

OCD-ARTESIA

Bold* fields are required.

Section 1 - Completed by Operator	
1. BLM Office* Roswell, NM	2. Well Type* GAS
3. Submission Type* <input type="radio"/> Notice of Intent <input checked="" type="radio"/> Subsequent Report <input type="radio"/> Final Abandonment Notice	4. Action* Drilling Operations
Operating Company Information	
5. Company Name* YATES PETROLEUM CORPORATION	
6. Address* 105 SOUTH FOURTH STREET ARTESIA NM 88210	7. Phone Number* 505-748-1471
Administrative Contact Information	
8. Contact Name* TINA HUERTA	9. Title* REG COMPLIANCE SUPERVISOR
10. Address* 105 SOUTH FOURTH STREET ARTESIA NM 88210	11. Phone Number* 505-748-4168 12. Mobile Number
13. E-mail* tinah@ypcnm.com	14. Fax Number 505-748-4585
Technical Contact Information	
<input checked="" type="checkbox"/> Check here if Technical Contact is the same as Administrative Contact.	
15. Contact Name* 	16. Title*
17. Address* 	18. Phone Number*
	19. Mobile Number
20. E-mail* 	21. Fax Number

Lease and Agreement					
22. Lease Serial Number* NM-105198				23. If Indian, Allottee or Tribe Name _____	
24. If Unit or CA/Agreement, Name and/or Number _____				25. Field and Pool, or Exploratory Area* UNDES FOOR RANCH PRE-PERM	
County and State for Well					
26. County or Parish, State* CHAVES NM					
Associated Well Information					
27. Specify well using one of the following methods: a) Well Name, Well Number, API Number, Section, Township, Range, Qtr/Qtr, N/S Footage, E/W Footage b) Well Name, Well Number, API Number, Latitude, Longitude, Metes & Bounds description					
Well Name* XANADU AXD FEDERAL				Well Number* 1	API Number 30-005-63641
Section 29	Township 9S	Range 26E	Qtr/Qtr SESE	N/S Footage 660 FSL	E/W Footage 660 FEL
Latitude _____	Longitude _____	Metes and Bounds			

28. 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 markers and zones. Attach the Bond under which the work will be performed or provide the Bond Number on file pertinent 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.

11/19/04 Resumed drilling at 10:00 PM.

11/21/04 TD 12-1/4" hole at 1:00 AM. Set 8-5/8" 24# J-55 STC casing at 1116'. Cemented with 600 sx 35/65 (P/C) + 8% D20 + 5% D44 + 3% S1 + D24 + .25#/sx D29 + .2% D46 (yld 2.1, wt 12.6). Tailed in with 200 sx Class "C" + 2% CaCl₂ (yld 1.32, wt 14.8). Cement circulated to surface. WOC 18 hrs. Tested casing to 1500 psi for 30 mins, OK. Reduced hole to 7-7/8" and resumed drilling.

I hereby certify that the foregoing is true and correct.

29. Name*

TINA _____ HUERTA

30. Title

REG COMPLIANCE SUPERVISOR

31. Date* (MM/DD/YYYY)

12/01/2004

32. Signature*

You have the ability to sign this form only if a SmartCard or digital certificate has been issued to you.

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.