

UNITED STATES **OCD-ARTESIA**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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 88202

3b. Phone No. (include area code)
432-683-5511

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1740' FSL & 660' FEL of Sec. 27, T23S, R23E

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5. Lease Serial No.
NM-37843

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Desert Rose Federal No. 1

9. API Well No.
30-015-26167

10. Field and Pool, or Exploratory Area
Hess Morrow, East (Gas) Bandana

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 checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Perforate
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 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.)

- 1.) Pull out of the hole with tubing and packer.
- 2.) Test existing zones 8772' to 8816' KB.
- 3.) If unable to run tubing and packer plug and abandon perforations 8772' to 8816' with a CIBP at 8650' with 35 feet cement on top.
- 4.) Run casing inspection log if possible.
- 5.) Repair casing if needed: Run line-up tool, re-cement, drill out or pull casing, run casing and cement.
- 6.) Spot 200 gallons acid at 4226' K.B.
- 7.) Perforate 4200' to 4226' K.B.
- 8.) Go in the hole with completion assembly to approximately 4100' K.B.
- 9.) Reverse 6 barrels KCL water, space out, set packer and NU well head.
- 10.) Displace acid.
- 11.) Swab/flow test.
- 12.) Tie into system, run tests as required, put on line.

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

04/04/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

Office

APPROVED

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.

(Instructions on page 2)

APR - 6 2006

GARY GOURLEY
PETER J. GOURLEY