

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-105213
2. Name of Operator Yates Petroleum Corporation		6. If Indian, Allottee or Tribe Name
3a. Address 105 S. 4th Str., Artesia, NM 88210	3b. Phone No. (include area code) 505-748-1471	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) 630'FSL & 2310'FWL of Section 12-T24S-R29E (Unit N, SESW)		8. Well Name and No. Jester BFJ Federal #1
		9. API Well No. 30-015-34275
		10. Field and Pool, or Exploratory Area Undes. Pierce Crossing; Bone Spring, East Undes. Cedar Canyon; Delaware
		11. County or Parish, State Eddy County, 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 <u>Completion</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Operations and</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>1st production</u>

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 recompleate 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 recompleation 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.)

- 6/19/06 TOC 3300' Est.
- 6/20/06 Perforate 4 squeeze holes at 8770'. Pressured up on squeeze hole to 2500#. Squeeze holes would not take fluid.
- 6/21/06 Perforate Bone Spring 9085'-9094' (10), 9116'-9120' (5), 9130'-9144' (15) and 9152'-9156' (5). Acidize with 1500g 7-1/2% HCL with 70 ball sealers. Frac with a water frac, 856 bbls fluid, 35,000# 20/40 white sand, 45,000# 20/40 sand.
- 7/1/06 Perforate Bone Spring 8070'-8076' (7), 8084'-8090' (7), 8232'-8236' (5), 8246'-8250' (5) and 8268'-8278' (11). Acidize Bone Spring 8232'-8278' with 1000g 7-1/2% HCL acid with 40 ball sealers. Acidize Bone Spring 8070'-8090' with 750g 7-1/2% HCL with 28 ball sealers. Frac Bone Spring 8070'-8278' with a water frac, 612 bbls fluid, 50,000# 20/40.
- 7/13/06 Perforate Bone Spring 7616'-7626' (11). Acidize with 1000g 7-1/2% HCL acid with 22 ball sealers.
- 7/17/06 Perforate Delaware 6830'-6834' (5), 6896'-6900' (5), 6946'-6950' (5), 7040'-7044' (5) and 7046'-7048' (3).

CONTINUED ON NEXT PAGE:

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta		Title Regulatory Compliance Supervisor
Signature <i>Tina Huerta</i>	Date August 10, 2006	ACCEPTED FOR RECORD AUG 23 2006 ALEXIS C. SWOBODA PETROLEUM ENGINEER Accepted for record - NMOCD
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 Office	
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		

Yates Petroleum Corporation
Jester BFJ Federal #1
Section 12-T24S-R29E
Eddy County, New Mexico

Form 3160-5 continued:

7/18/06 Acidize Delaware 6830'-7048' with 1100g 7-1/2% HCL with 50 ball sealers.
7/19/06 Frac Delaware 6830'-7048' with a water frac, 836 bbls fluid, 30,000# 20/40 white sand, 50,000# expedite.
7/21/06 Perforate Delaware 6028'-6038' (11), 6140'-6148' (9) and 6410'-6420' (11). Acidize Delaware 6410'-6420' with 1000g 7-1/2% HCL acid with 22 ball sealers. Acidize Delaware 6140'-6148' with 1000g 7-1/2% HCL acid with 20 ball sealers. Acidize Delaware 6028'-6038' with 1000g 7-1/2% HCL acid with 22 ball sealers. SN at 8303'. 2-7/8" tubing at 8303'.

8/9/06 Date of 1st production - Bone Spring and Delaware

WELL IS COMMINGLED BONE SPRING AND DELAWARE EFFECTIVE 8/2006

DHC-3729

Undesignated Pierce Crossing; Bone Spring, East	Oil-19%	Gas-92%
Undesignated Cedar Canyon; Delaware	Oil-81%	Gas-8%


Regulatory Compliance Supervisor
August 10, 2006