Form 3160-5 (April 2004)

N.M. Oil Cons. DIV-Dist. 2

UNITED STATES 1 W. Grand Avenue DEPARTMENT OF THE INTERIOR IA, NM 88210

FORM APPROVED OMB No 1004-0135 Evouse March 31, 2007

| SEE | | Expires March 51, 2007 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------------------|
| SUNDRY NOTICES AND REPORTS ON WELLS | | 5 Lease Serial No |
| Do not use this form for proposals to drill or re enter an | | NM-37037 |
| abandoned well, Use Form 3160-3 (AF | PD) for such proposals. | 6 If Indian, Allottee or Tribe Name |
| SUBMIT IN TRIPLICATE - Other instructions on reverse side 1. Type of Well | | 7. If Unit or CA/Agreement, Name and/or No |
| 2. Name of Operator Yates Petroleum Corporation 3a Address 3b Phone No (include area code) | | 8 Well Name and No. |
| 2. Name of Operator | 000 20200/ | Esperanza XP Federal #2 |
| Yates Petroleum Corporation | JU-ARITE | 9. API Well No |
| | | 30-005-62062 |
| 105 S. 4th Str., Artesia, NM 88210 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) | 505-748-1471 | 10. Field and Pool, or Exploratory Area Wildcat Abo |
| | | 11 County or Parish, State |
| 660'FSL & 1780'FWL of Section 26-T4S-R20E (Unit N, SESW) | | Chaves County, New Mexico |
| 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |
| TYPE OF SUBMISSION TYPE OF ACTION | | |
| Acidize | Deepen | (Start/Resume) Water Shut-Off |
| Notice of Intent Alter Casing | Fracture Treat Reclamation | n Well Integrity |
| Casing Repair | New Construction Recomplete | Other |
| Subsequent Report | | |
| Change Plans | X Plug and Abandon Temporard | y Abandon |
| Final Abandonment Notice Convert to Inju | Plug Back Water Disp | osal |
| 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.) 6/7/07 Set a CIBP at 2450'. Tagged CIBP and circulated plugging mud. Spotted 25 sx cement. 6/8/07 Perforated at 869'. Pumped 45 sx cement and WOC. Tagged at 604'. NOTE: Well turned over to rancher. FAN will be sent when the release is signed. | | |
| Approved as to plugging of the well bore. Liability under bond is retained until surface restoration is competed. Approved as to plugging of the well bore. JUN 20 2007 ALEXIS C. SWOBODA PETROLEUM ENGINEER | | |
| 14 I hereby certify that the foregoing is true and correct | | |
| Name <i>(Printed/Typed)</i> Tin a Huerta | Title Regulatory Compli | ance Supposition for RECORD |
| ACCEPTED FOR ACCOUNT | | |
| Signature June 18, 2007 | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE JUN 2 6 2007 | | |
| Approved by | Title | Gerry Guyet, Deputy Field Inspector |
| 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 18 U S C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willbully 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