Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

OCD-ARTESIA

FORM APPROVED OMB No 1004-0137 Expires July 31, 2010

CARUSBAD FIELD OFFICE

APR 29 2008

5 Lease Serial No

NM-022534-A Do not use this form for proposals to drill or to re-enter an OCD-ARTESIA If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7 If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well Other 8 Well Name and No Gas Well Oil Well 2 Name of Operator Quandry BJQ Federal Com #1 Yates Petroleum Corporation 9. API Well No 3b Phone No. (include area code) 30-015-35848 3a Address 105 S. 4th Str., Artesia, NM 88210 575-748-1471 10. Field and Pool or Exploratory Area 4 Location of Well (Footage, Sec., T., R., M., OR Survey Description) Seven Rivers Hills; Strawn 11. County or Parish, State Surface - 426'FNL & 1721'FWL of Section 10-T21S-R24E (Unit C, NENW) Eddy County, New Mexico BHL - 699'FSL & 764'FWL of Section 3-T21S-R24E (Unit M, SWSW) 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION X Production (Start/Resume) Water Shut-Off Acidize Deepen Notice of Intent Alter Casing Fracture Treat Well Integrity Reclamation Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 13. Describe Proposed of 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection. 4/13/08 Date of 1st production - Strawn I hereby certify that the foregoing is true and correct Name (Printed/Typed) Regulatory Compliance Supervisor Tina Huerta Title ACCEPTED FOR RECOR April 22, 2008 Signature Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE 2008 Approved by Date 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 Office 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 willfully to make to any department of agency of the United States AGEMENT

any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction