

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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.

MAY 28 2008

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | | | |
|--|--|--|--|
| 1. Type of Well | | 5. Lease Serial No. | |
| <input type="checkbox"/> Oil Well | <input checked="" type="checkbox"/> Gas Well | LC-067832-A | |
| 2. Name of Operator | | 6. If Indian, Allottee or Tribe Name | |
| Yates Petroleum Corporation | | | |
| 3a. Address | | 7. If Unit or CA/Agreement, Name and/or No | |
| 105 S. 4th Str., Artesia, NM 88210 | | NMNM-106836 | |
| 3b. Phone No. (include area code) | | 8. Well Name and No | |
| 575-748-1471 | | West Indian Basin Federal Com #2 | |
| 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) | | 9. API Well No. | |
| 1965'FNL & 1659'FEL of Section 20-T21S-R23E (Unit G, SWNE) | | 30-015-10282 | |
| | | 10. Field and Pool, or Exploratory Area | |
| | | Indian Basin Upper Penn | |
| | | 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 checked="" 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 type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input 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 recompleat 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.)

4/20/08 Drilled and circulated hole clean from 7168'-7200'. Tagged packer at 7200'. TOOH with tubing, drill collars and bit.

4/21/08 Tagged at 5693' (bad area in casing). Milled out bad area from 5693' to 5695'. Milled on packer.

4/23/08 Pushed packer downhole from 7203' to 7256'. Unable to push to bottom.

4/27/08 Tagged at 7260'.

4/28/08 Ran a 1" freepoint tool to 7080' and tagged in 2-7/8" tubing. RIH with 2" freepoint tools. Tubing free to 7080' where tubing is plugged. Shoot collar at 7031'. TOOH with 2-7/8" tubing. Left in hole: 3 joints 2-7/8" tubing with pin looking up, 4 - 3-1/2" collars, extension and 4-3/4" shoe. Screwed into 2-7/8" tubing at 7031'. Jar on stuck drill collars and shoe 5 times and came free. TOOH with tubing, drill collars, jar assembly, 3 joints 2-7/8" tubing, 4 - 3-1/2" drill collars and shoe.

4/29/08 Circulated hole clean down to 7417'.

5/4/08 Acidize Cisco 7238'-7278' with 70 bbls Zylene, 50 bbls spacer, 5000g DI 20% IC HCL with 50 ball sealers.

5/7/08 SN at 7249'. 2-7/8" tubing at 7285'.

| | | | |
|--|----------------------------------|--------------------------------|--|
| 14. I hereby certify that the foregoing is true and correct | | ACCEPTED FOR RECORD | |
| Name (Printed/Typed) | Title | | |
| Tina Huerta | Regulatory Compliance Supervisor | MAY 24 2008 Date J. Amos | |
| Signature | Date | | |
| | May 13, 2008 | BUREAU OF LAND MANAGEMENT | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | |
| Approved by | | Office | |
| 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 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. | | | |

Accepted for record - NMOCD