

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000
5. Lease Serial No.
NMNM25866
6. If Indian, Allottee or Tribe Name

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. BUDER ACN FEDERAL 2 |
| 2. Name of Operator YATES PETROLEUM CORPORATION | | 9. API Well No. 30-005-63513 |
| 3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210 | Contact: TINA HUERTA E-Mail: tinah@ypcnm.com | 10. Field and Pool, or Exploratory CROCKETT DRAW WC SOUTH/PSA |
| 3b. Phone No. (include area code) Ph: 505-748-4168 Fx: 505.748.4585 | | 11. County or Parish, and State CHAVES COUNTY, NM |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T6S R26E NESW 1950FSL 1387FWL | | |

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 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 type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input checked="" 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 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 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.)

Yates Petroleum Corporation plans to recomplete this well as follows: Set a 5-1/2" CIBP at 5290' and cap with 35' cement. Perforate Wolfcamp 5128'-5138' (60), 5156'-5160' (24) for a total of 84 holes. Stimulate as needed. After testing this Wolfcamp zone, set a 5-1/2" composite plug at 5100'. Perforate additional Wolfcamp 4908'-4916' (18), 4942'-4952' (22) for a total of 40 holes. Stimulate as needed. If this zone is not productive, set a 5-1/2" composite plug at 4600'. Perforate Abo 4198'-4216' (19), 4266'-4270' (5), 4318'-4332' (15), 4392'-4412' (21) for a total of 60 holes. Stimulate as needed. After testing this zone, set a 5-1/2" composite plug at 4150'. Perforate additional Abo 3928'-3940' (13), 3946'-3950' (5), 4018'-4024' (7), 4042'-4054' (13), 4070'-4090' (21) for a total of 59 holes. Stimulate as needed. Drill up the plug at 4150' and produce well from all Abo perms.

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| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #24669 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Roswell | |
| Name (Printed/Typed) TINA HUERTA | Title REG COMPLIANCE SUPERVISOR |
| Signature (Electronic Submission) | Date 10/31/2003 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | 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 which would entitle the applicant to conduct operations thereon. | | 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.

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