Form 3160-5 (September 2001)

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

DEPARTMENT OF THE INTERIOR 301 W. Grand Avenue BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires January 31, 2004

Artesia, NM 88210

SUNDRY NOTICES AND REPORTS ON WELLS 5. Lease Serial No. NM-100831 Do not use this form for proposals to drill or re enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side 1. Type of Well RECEIVED Oil Well Gas Well Other 8. Well Name and No. MAR - 8 2004 Samuel Smith Unit #1 2. Name of Operator Yates Petroleum Corporation 9. API Well No. 3b. Phone No. (include area code) ARTESIA 30-015-32581 3a Address 105 S. 4th Str., Artesia, NM 88210 505-748-1471 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) Crooked Creek Morrow 11. County or Parish, State Surface - 1400'FSL & 1170'FEL of Section 32-T23S-R24E (Unit I. NESE) Bottomhole - 1000'FSL & 660'FWL of Section 33-T23S-R24E (Unit M, SWSW) Eddy 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 Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete Other Spud ubsequent 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 oroposal 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 filled 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.) 2/22/04 Spudded 26" conductor hole at 2:00 PM. Set 40' of 20" conductor. ACCEPTED FOR RECORD FEB 2 6 2004 LES BABYAK PETROLEUM ENGINEER 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta Regulatory Compliance Supervisor Title Date February 24, 2004 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. 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