

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. 40-0045276	
2. Name of Operator Yates Petroleum Corporation		6. If Indian, Allottee or Tribe Name	
3a. Address 105 S. 4th St. - Artesia, NM 88210		7. If Unit or CA/Agreement, Name and/or No.	
3b. Phone No. (include area code) 505-748-1471		8. Well Name and No. Preston Federal #5W	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 840' FSL & 1980' FEL of Section 34-T20S-R24E (O, SWSE) BHL: 760' FSL & 660' FEL of Section 34-T20S-R24E (P, SESE)		9. API Well No. 30-015-27186	
		10. Field and Pool, or Exploratory Area Dagger Draw Upper Penn, So.	
		11. County or Parish, State Eddy Co., NM	

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 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 checked="" 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.)

Yates Petroleum Corporation respectfully requests permission to change plans as follows:

The kick-off point for directional drilling operations has been changed - changing the directional drilling plan. The proposed BHL will remain the same. A new directional drilling plan is attached. The lateral hole size will be changed from a 4-3/4" to 6-1/8".

The new wellbore parameters are as follows:

CIBP setting depth: 7535'

Top of casing window: 7513'

Kick off point: 7525'

Build rate: 28 degree/100'

The target depth (7725') will remain the same.

NOTE: The new directional drilling plan used a gyro survey tie in, making the KOP have a different location than the surface location.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Rusty Klein

Title Operations Technician

Signature

Date Nov. 6, 2000

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA	PETROLEUM ENGINEER	Date NOV 13 2000
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

Precedin

Job Number: 1

State/Country: NM/USA, Eddy County

Company: Yates Petroleum Corporation

Declination:

Lease/Well: Preston Federal #5-H

Grid:

Location: Section 34 T20S-R24E, Surface: 840' S & 1,980' E, BHL: 760' S & 660' E

Rig Name: UTI #165

Date/Time: 31-Nov-00 / 15:12

RKB:

Curve Name: Final Projection of 1/8" Hole

G.L. or M.S.L.:

Projection is tied into Gryo Survey

WINSERVE SURVEY CALCULATIONS

Minimum Curvature Method

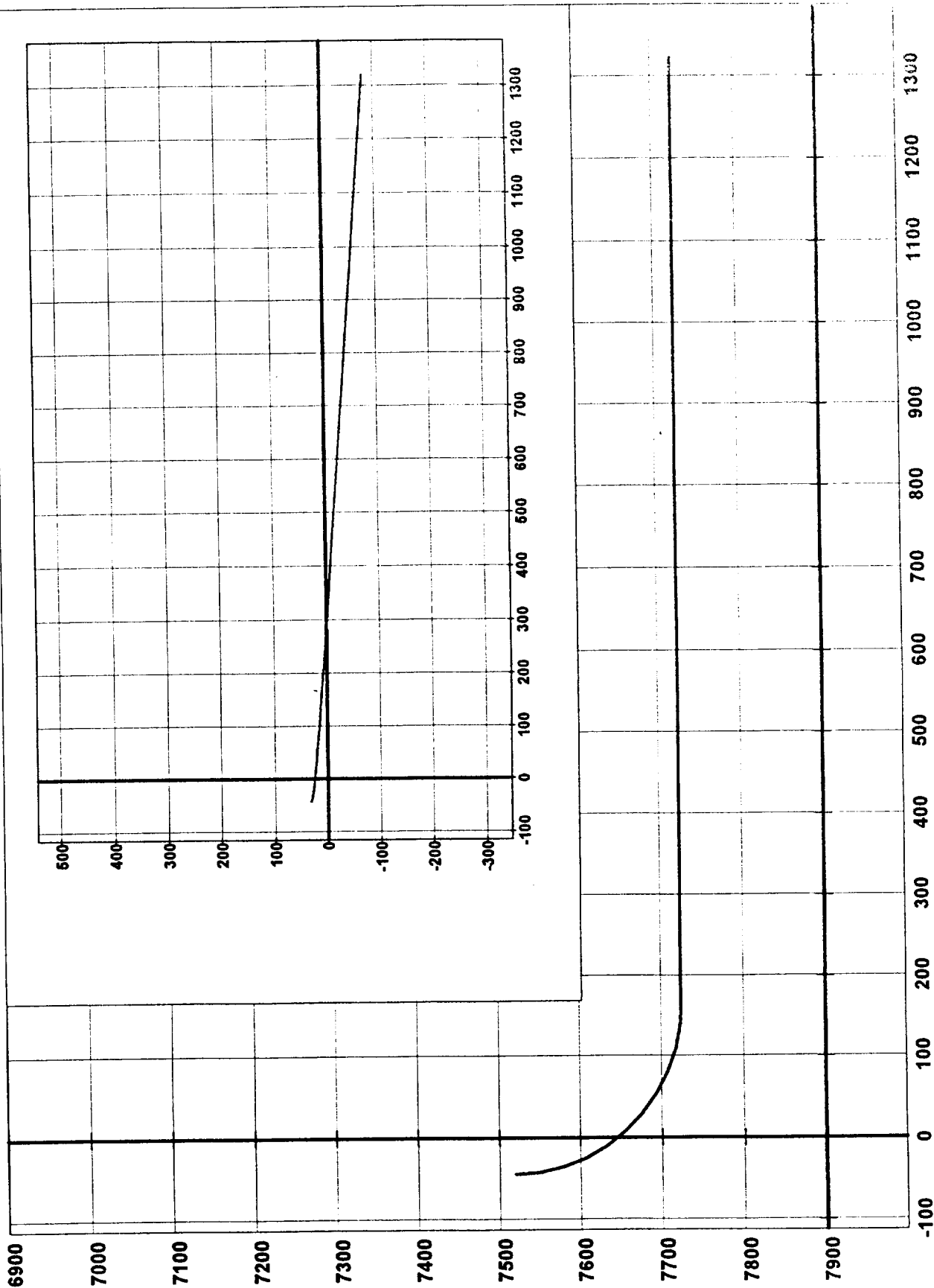
Vertical Section Plane 93.47

Vertical Section Referenced to offset from Wellhead: EW =.00 Ft, NS=.00 Ft

Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
Exit casing with 6 1/8" mills @ 7513', Kick off at 7525' MD. Begin building @ +/-28 deg/100' with 6 1/8" bit.									
7525.00	1.75	160.80	7520.10	31.66	-43.81	-45.65	54.05	305.85	.00
7555.00	9.13	104.48	7549.96	30.63	-41.35	-43.13	51.46	306.53	27.61
7585.00	17.34	99.58	7579.13	29.29	-34.63	-36.34	45.35	310.23	27.61
7615.00	25.60	97.79	7607.03	27.66	-23.79	-25.41	36.48	319.32	27.61
7645.00	33.87	96.83	7633.06	25.79	-9.03	-10.58	27.33	340.69	27.61
7675.00	42.14	96.21	7656.68	23.70	9.30	7.85	25.46	21.43	27.61
7705.00	50.42	95.77	7677.39	21.45	30.85	29.49	37.57	55.19	27.61
7735.00	58.70	95.42	7694.77	19.07	55.15	53.90	58.35	70.92	27.61
7765.00	66.97	95.12	7708.46	16.63	81.71	80.55	83.38	78.50	27.61
7795.00	75.25	94.86	7718.16	14.16	109.96	108.90	110.87	82.66	27.61
7825.00	83.53	94.62	7723.68	11.72	139.32	138.35	139.81	85.19	27.61
End of build, hold 90 degree angle at 7725' TVD and drill remainder of lateral.									
7848.43	90.00	94.44	7725.00	9.88	162.63	161.73	162.93	86.52	27.61
7948.43	90.00	94.44	7725.00	2.13	262.33	261.72	262.34	89.53	.00
8048.43	90.00	94.44	7725.00	-5.61	362.03	361.70	362.07	90.99	.00
8148.43	90.00	94.44	7725.00	-13.35	461.73	461.69	461.92	91.66	.00
8248.43	90.00	94.44	7725.00	-21.09	561.43	561.68	561.82	92.15	.00
8348.43	90.00	94.44	7725.00	-28.83	661.13	661.66	661.76	92.50	.00
8448.43	90.00	94.44	7725.00	-36.58	760.83	761.65	761.71	92.75	.00
8548.43	90.00	94.44	7725.00	-44.32	860.53	861.63	861.67	92.95	.00
8648.43	90.00	94.44	7725.00	-52.06	960.23	961.62	961.64	93.10	.00
8748.43	90.00	94.44	7725.00	-59.80	1059.93	1061.60	1061.61	93.23	.00
8848.43	90.00	94.44	7725.00	-67.55	1159.63	1161.59	1161.59	93.33	.00
8948.43	90.00	94.44	7725.00	-75.29	1259.33	1261.58	1261.58	93.42	.00
9009.29	90.00	94.44	7725.00	-80.00	1320.00	1322.42	1322.42	93.47	.00
TD well @ BHL 80' South/1320' East of surface location, 760' South/660' E of lease lines.									

Company: Yates Petroleum Corporation
 Lease/Well: Preston Federal #5-H
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