

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

C Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210  
FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000  
Lease No. NM-045276

dsf

**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**

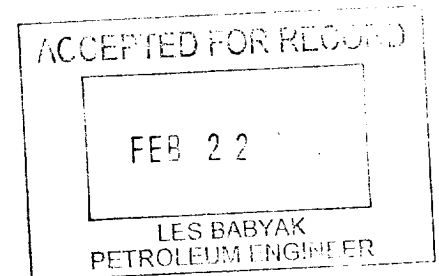
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. <b>Preston Federal #5-H</b>
2. Name of Operator <b>Yates Petroleum Corporation</b>		9. API Well No. <b>30-015-27186</b>
3a. Address <b>105 S. 4th Street - Artesia, NM 88210</b>	3b. Phone No. (include area code) <b>505-748-1471</b>	10. Field and Pool, or Exploratory Area <b>Dagger Draw Upper Penn S</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>840' FSL and 1980' FEL Section 34 T20S-R24E</b>		11. County or Parish, State <b>Eddy County, NM</b>

**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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Cement squeeze perfs
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Drill horizontal lateral

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 operations 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.)

10/30/00 - MIRU pulling unit.  
11/1/00 - Set cement retainer at 7625' to squeeze casing perfs 7666-7781'.  
11/2/00 - Squeeze perfs with 250 sxs H + 2% CaCl + 80 scf N2 per bbl. Tail in with 50 sxs H.  
Set CIBP at 7535'.  
11/3/00 - Rig down and move out pulling unit.  
11/4/00 - Move in rotary tools.  
11/6/00 - Run gyro. Orient and set whipstock.  
11/7/00 - Mill window in casing 7516-7528'. Mill 2' new formation to 7530'.  
11/9-11/13/00 - Directionally drill horizontal lateral.  
11/14/20 - Reached TD of 6-1/8" horizontal lateral hole at 8996' MD at 11:45 PM.  
11/15/00 - Released rig at 6:00 PM.



I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

**Susan Herpin**

Signature

Title

**Engineering Technician**

Date

*February 21, 2000*

**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