

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 2. Name of Operator YATES PETROLEUM CORPORATION | Contact: TINA HUERTA E-Mail: TINAH@BLM.NM.COM | 5. Lease Serial No. NMNM09867 |
| 3a. Address 105 SOUTH 4TH ST ARTESIA, NM 88210 | 3b. Phone No. (include area code) Ph: 505-748-4168 Fx: 505-748-4585 | 8. Well Name and No. MILLER GASCOM B 1E | 9. API Well No. 30-045-24718-00-S2 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T30N R13W NWSW 1835FSL 1120FWL 36.79648 N Lat, 108.23303 W Lon | | | 10. Field and Pool, or Exploratory BASIN FRUITLAND COAL |
| | | | 11. County or Parish, and State SAN JUAN COUNTY, 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 checked="" 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 recomple 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.)

11/8/04 - 11/17/04

Began workover procedures. Released packer. Set RBP at 1260' and set packer at 1215'. Pumped 20 bbls water down tubing and did not catch any pressure or circulate well. Reset RBP and reset packer at 1246'. Pumped another 6 bbls water down tubing but still did not pressure tubing.

Released packer.

Reset RBP at 1230'. Set packer at 1185'. Pressure would leak off to 1000# in 1 min, 750# in 2 min and 500# in 4-5 mins. Released packer and reset RBP at 644'. Loaded annulus and pressure tested casing to 500#, held OK. Released packer and RBP. Set a 4-1/2" CIBP at 910'. Pumped 100 sx Halliburton Lite (65/35 poz with 6% gel) with 1% CaCl2 and 100 sx "B" with 2% CaCl2. WOC. Pressure tested squeeze to 500 psi, held OK. Milled 7" of CIBP in 45 min. Finished drilling CIBP. Pushed remains of plug to approx 1626' (bottom perf at 1326').

| | |
|--|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #51545 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Farmington Committed to AFMSS for processing by STEVE MASON on 12/06/2004 (05SXM0149SE) | |
| Name (Printed/Typed) TINA HUERTA | Title REG COMPLIANCE SUPERVISOR |
| Signature (Electronic Submission) | Date 12/06/2004 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---|-------------------|
| Approved By ACCEPTED | STEPHEN MASON Title PETROLEUM ENGINEER | Date 12/06/2004 |
| 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 Farmington |

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOC

Additional data for EC transaction #51545 that would not fit on the form

32. Additional remarks, continued

WELL IS BACK ON PRODUCTION 11/2004