Form 3160-5 (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Oil Cons. N.M. DIV-Dist. 2 1301 W. Grand Avenue Artesia, NM 88210

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

Artesia, NM 88210 SUNDRY NOTICES AND REPORTS ON WELL . Lease Serial No. NM-103838 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 Type of Well RECEIVED Oil Well Gas Well Other 8. Well Name and No. APR 0 6 2004 Oso AVV Federal #1 2. Name of Operator Yates Petroleum Corporation 9. API Well No. 3b. Phone No. (include area code) 30-005-10431 3a. Address 505-748-1471 105 S. 4th Str., Artesia, NM 88210 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) Bear Canyon; Penn 11. County or Parish, State 660'FSL & 660'FWL of Section 17-T19S-R20E (Unit M, SWSW) Chaves County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Production (Start/Resume) Water Shut-Off Acidize Deepen Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Perforate Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon and stimulate Final Abandonment Notice Convert to Injection 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 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.) Perforate Strawn 6070'-6102' (128) and 6192'-6216' (224). Test casing patch at 2380' to 3000 psi. 2/18/04 2/20-22/04 Acidize Strawn 6192'-6216' with 2400g 7-1/2% MSA acid with 1000 SCF/N2 with 144 ball sealers. Frac Strawn with total load to recover 796 bbls, 87 tons CO2. Pumped 5000# 100 mesh and 3/2/04 70,000# 20/40 Ottawa. Set 4-1/2" AS-1 packer with 1.81 profile at 5961'. ACCEPTED FOR RECORD APR - 1 2004 ALEXIS C. SWORODA PETROLEUM ENGINEER 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta Regulatory Compliance Supervisor Title March 30, 2004 Date Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title Date Approved by 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 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 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

which would entitle the applicant to conduct operations thereon