

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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Energy Corporation

3a. Address

P. O. Box 2323, Roswell, NM 88202

3b. Phone No. (include area code)

505-623-4935

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FNL and 660' FEL of Section 26, T-23-S, R-23-E

5. Lease Serial No.
NM-69333

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Lonesome Dove Federal #2

9. API Well No.

10. Field and Pool, or Exploratory Area
Hess Morrow East

11. County or Parish, State

Eddy, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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	
	<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 recompleate 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 recompleation 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.)

Cementing Variance for the intermediate (8.625") casing string test

Nipple up on casing with a 3000 psig, annular type preventer and double ram (pipe and blind) BOP; close the blind rams and pressure test the rams, well head, kill manifold and casing with 1000 psig for 30 minutes; record results on the API DDR at the rig.

Go in the hole with collars and at least one joint of drill pipe. Close the pipe rams just above a drill pipe tool joint; pressure test the rams, well head, kill manifold and casing with 1000 psig for 30 minutes; record results on the API DDR at the rig.

If there should be a leak, correct and retest as needed.

Test to 3000 psig by an independent tester. After drilling out the intermediate casing, continue drilling until a trip is made for a new bit but no later than 500' before drilling into the Wolfcamp formation est. at 7076' KB. Pressure test the rams (blind and casing), well head, kill manifold, and casing with 3000 psig (use fresh water for this test).

If there should be a leak, correct then retest as needed.

Retest as above should the BOP or annular preventer be replaced for any reason.

APPROVED

MAY - 5 2005

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sheryl L. Jonas

Title Agent for Yates Energy Corporation

Signature

Sheryl L. Jonas

Date

05-03-05

LES BABYAK
PETROLEUM ENGINEER

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