

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or 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		5. Lease Serial No. NM-94589
2. Name of Operator Yates Petroleum Corporation		6. If Indian, Allottee or Tribe Name
3a. Address 105 S. 4th Str., Artesia, NM 88210	3b. Phone No. (include area code) 505-748-1471	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) 710'FSL & 710'FWL of Section 5-T25S-R26E (Unit M, SWSW)		8. Well Name and No. Chosa ATR Federal #2
		9. API Well No. 30-015-34210
		10. Field and Pool, or Exploratory Area Undesignated Chosa Draw Morrow
		11. County or Parish, State Eddy County, New Mexico

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 <u>Completion</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Operations</u>
	<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.)

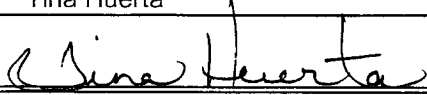

2/2/06 Tested production casing to 1000 psi for 30 min. TOC 8720' CBL.

2/6/06 Perforate Morrow 11,906'-11,912' (37) and 11,930'-11,940' (61).

2/7/06 Perforate Morrow 11,490'-11,492' (13), 11,534'-11,550' (97), 11,562'-11,580' (109), 11,626'-11,632' (37), 11,644'-11,650' (37) and 11,772'-11,774' (13).

2/9/06 Acidize Morrow 11,906'-11,940' with 1000g 7-1/2% Morrow acid. Acidize Morrow 11,772'-11,774' with 250g 7-1/2% Morrow acid. Acidize Morrow 11490'-11,650' with 1250g 7-1/2% Morrow acid.

2/21/06 Frac Morrow 11,490'-11,940' with a CO2 foam frac, 697 bbls fluid, 255 tons CO2, 68,600# 20/40 ultraprop. Perforate Morrow 11,230'-11,236' (37), 11,270'-11,280' (61) and 11,296'-11,316' (121). Frac Morrow 11,230'-11,316 with a CO2 foam frac, 560 bbls fluid, 200 tons CO2, 50,000# 20/40 carboprop. Set 5-1/2" 17# AS-1 packer with 2.25" on/off tool at 11,090'.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta		Title Regulatory Compliance Supervisor
Signature 	Date March 9, 2006	<div style="border: 2px solid black; padding: 5px;"> ACCEPTED FOR RECORD MAR 16 2006  ALEXIS C. SWOBODA PETROLEUM ENGINEER </div>
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
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 which would entitle the applicant to conduct operations thereon.	Title 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 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		