

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

505-748-1471

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

1650'FSL & 660'FEL of Section 5-T25S-R27E (Unit I, NESE)

RECEIVED

JUL 19 2006

5. Lease Serial No.

NM-96210

6. If Indian, Allottee or Tribe Name

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

NMNM114019X

8. Well Name and No.

Magellan Federal Unit #1

9. API Well No.

30-015-34603

10. Field and Pool, or Exploratory Area

Undes. Hackberry Draw; Morrow, North

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>Production</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Casing</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 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 operation 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.)

6/9/06 Circulate gas out to set kick off plug. Set plug at 11,579'-11,279'. Pumped 200 sx Class "H" + 1.2% CD-32 and 2% salt. Set plug at 2410'-2284'. Pumped 50 sx Class "H" + 8% A-10 + .25#/sx Cellophane flakes + 8#/sx LCM-1 and 1% CaCl₂ (yld 1.52, wt 14.6).

6/10/06 Drill top plug 2385'-2390'. Dress off bottom plug 11,218'-11,246'.

6/11/06 Pick up directional tools and continued drilling.

6/25/06 Reached TD 12,560'.

6/28/06 Set 5-1/2" 17# L-80 J-55 HCP-110 casing at 12,560'. Float collar at 12,515'. Cemented Stage 1 with 1210 sx 15:61:11 "C" + .5% BA-10 + .3% Diacel LWL + .6% FL-25 + .6% FL52A + 4# LCM (yld 1.58, wt 13.2). Cemented Stage 2 with 1460 sx 35:65:6 Poz + .8% FL52 + 5#/bbl LCM-1 + 5% Salt (yld 1.95, wt 12.7) and tailed in with 100 sx Class "H" Neat (yld 1.18, wt 15.6).

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Tina Huerta

Title Regulatory Compliance Supervisor

Signature

Tina Huerta

Date

July 11, 2006

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

Date

ACCEPTED FOR RECORD

JUL 17 2006

ALEXIS C. SWOBODA
PETROLEUM ENGINEER