

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 New Mexico 882023b. Phone No. (include area code)
505-623-49354. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1740' FSL & 660' FEL of Sec. 27, T23S, R23E5. Lease Serial No.
NM-37843

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Desert Rose Federal No. 19. API Well No.
30-015-2616710. Field and Pool, or Exploratory Area
Hess Morrow, East (Gas) Bandana11. 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 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 Fishing job
	<input type="checkbox"/> Change Plans	<input checked="" 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 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.)

Field Operations 8-21-06 thru 8-28-06.

Rigged up and released packer, TOOH, tubing drug in several places, POOH with 229 joints tubing with coupling down, split, left 31 joints, packer and accessories.

TIH with coupling down, stopped at 2984', work through, stopped at 4389', worked through, pumped in hole a total of 90 barrels.

Pull tubing, drug 750' then pulled free, finish POOH, no fish.

WIH with rock bit, could not get below 3213'. Rig up reverse unit, pick up 3-3/4" tapered mill, D.C. and TIH.

Tag top of fish at 7510' K.B. (appears fish is setting on top of old fish).

TOOH with mill, mill is not marked.

TIH w/overshot (3-3/8" OD, 2-21/32 ID).

Tag at 2960' and then go down to top of fish, no tag or drag through tight spots.

Tag fish, catch, gained 7000# weight, POOH recovered 4 joints of fish, split coupling on bottom of joint #4 (27 joints packer and accessories in hole).

TIH with fishing tools, tag at 2960', and numerous other spots, work free 2960' - 3650', did not get below 3650'.

TOOH with overshot guide and body was deformed and mashed in on two sides.

Lay down collars, TIH with muleshoe and tubing, tag at 2993', tag and stop numerous times.

Ran in hole to 6033' an stop, finish TIH tag at 7542' top of fish.

TOOH, decision made to P&A when cement trucks available.

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

Sheryl L. Jonas

Title Agent for Yates Energy Corporation

Signature

Date

10/04/2006

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

OCT 27 2006

WESLEY W. INGRAM

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 Federal land officer or employee any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Accepted for record - NMOCD