UNITED STATES FORM APPROVED OCD-AI DEPARTMENT OF THE INTERIOR OMB No. 1004-0135 BUREAU OF LAND MANAGEMENT Expires March 31, 2007 SYNDRY NOTICES AND REPORTS ON WELLS 5. Lease Serial No. Do not use this form for proposals to drill or re enter an NM-0506771 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. SUBANT IN TRIPLICATE - Other instructions on reverse side 1. Type of Well Other 8. Well Name and No. X Oil Well Gas Well Burton Flat Federal Com #1 2. Name of Operator Yates Petroleum Corporation 9. API Well No. 3b. Phone No. (include area code) 30-015-26289 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) Burton; Delaware, East 11. County or Parish, State Surface 900'FSL & 1815'FWL of Section 11-T20S-R29E (Unit N, SESW) BHL 2216'FNL & 1689'FWL of Section 14-T20S-R29E (Unit F, SENW) Eddy County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Acidize Production (Start/Resume) Water Shut-Off Deepen Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Ahandonment Notice Convert to Injection Plug Back 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.) 10/10/06 Set a 4-1/2" CIBP at 11,252' with 35' cement on top. 10/11/06 Set a 4-1/2" CIBP at 9350' with 35' cement on top. Set a 4-1/2" CIBP at 7100' with 35' cement on top. Ran CBL/GR/CCL and found TOC at 3090'. Perforated 4 squeeze holes at 5680' and 3800'. 10/12/06 TIH with 4-1/2" AS-1 packer with unloader and set at 3850'. Pumped down tubing through squeeze perfs at 5680', pressure to 900 psi. Circulated through squeeze perfs at 3800', 2 BPM at 650 psi. Set 4-1/2" cement retainer on tubing at 5647'. WOC. Pumped 600 sx BJ Lite 15:61:11 cement (yld 1.59, wt 13.2). Squeezed to 500 psi. Stung out of retainer. WOC. 10/16/06 Tagged cement at 1550'. Drilled cement stringers to 3000'. Circulated cement clean. 10/17/06 Continued drilling stringers to 3845'. Circulated clean. Tested squeeze perfs at 3800' to 500 psi for 10 10/18/06 Resumed drilling cement stringers. Fell out at 4950'. Drilled retainer. Cement at 5742'. Circulated clean. Tested perfs to 1000 psi. **CONTINUED ON NEXT PAGE:** 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tina Huerta Regulatory Compliance Supervisor ACCEPTED FOR RECORD November 10, 2006 Signature Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title 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 W. INGRAM which would entitle the applicant to conduct operations thereon.

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

Yates Petroleum Corporation Burton Flat Federal Com #1 Eddy County, New Mexico

Form 3160-5 continued:

10/19/06	Circulate hole with 3% KCL. Perforate Delaware 6110'-6120' (10) and 6200'-6240' (40).
	Acidize with 2000g 7-1/2% HCL acid with 80 ball sealers.
10/23/06	Set a 4-1/2" CIBP at 6090' with 35' cement on top. Perforate Delaware 5856'-5862' (7)
	and 5896'-5908' (13). Acidize with 1250g 7-1/2% IC acid with 20 balls.
10/26/06	Set a 4-1/2" CIBP at 5670' with 35' cement on top. Perforate Delaware 4276'-4286' (11).
	Acidize with 740g 7-1/2% IC acid.
10/30/06	Set a 5-1/2" CIBP at 4250' with 35' cement on top. Perforate Delaware 3526'-3532' (7),
	3574'-3580' (7) and 3606'-3610' (5). Acidize with 1000g 7-1/2% IC acid with 25 balls.
11/1/06	Set a 4-1/2" CIBP at 3500' with 35' cement on top.

Regulatory Compliance Supervisor November 10, 2006