UNITED STATES DEPARTMENT OF THE INTERIOR



FORM APPROVED

| | EAU OF LAND MANAGE | | CDARNE | SIA Exp | oires March 31, 2007 |
|--|--|---|--|---|---------------------------------|
| SUNDRY NOTICES AND REPORTS ON WELLS | | | | 5. Lease Serial No |). |
| Do not use this form for proposals to drill or re enter an abandoned well. Use Form 3160-3 (APD) for such proposals. | | | | NM-045275 6. If Indian, Allottee or Tribe Name | |
| \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\ | | | | 7 1611 11 2011 | |
| SUBMIT IN TRIPLICATE - Other instructions on reverse side | | | | 7. If Unit or CA/Agreement, Name and/or No. | |
| 1. Type of Well Gas Well Other | | | | 8. Well Name and No. | |
| 2. Name of Operator | | | | Conoco AGK | K Federal #4 |
| Yates Petroleum Corporation | | | | 9. API Well No. | |
| 3a. Address | 3b. Phone No. (include area code) | | 30-015-26735 | | |
| 105 S. 4th Str., Artesia, NM 88210 505-748-1471 4. Location of Well (Footage, Sec., T., R., M., OR Survey Description) | | | | -1 | , or Exploratory Area |
| 4. Location of Well (Poolage, Sec., F., K., M., OK Survey Description) | | | | S. Dagger Draw; Upper Penn 11. County or Parish, State | |
| 660'FNL & 660'FEL of Section 26-T20S-R24E (Unit A, NENE) | | | | Eddy County, New Mexico | |
| | | NDICATE NATURE C | F NOTICE, RE | · | |
| TYPE OF SUBMISSION | PE OF SUBMISSION TYPE OF ACTION | | | | |
| | Acidize | Deepen | Production (| Start/Resume) | Water Shut-Off |
| X Notice of Intent | Alter Casing | Fracture Treat | Reclamation | | Well Integrity |
| | Casing Repair | New Construction | Recomplete | | X Other Squeeze |
| Subsequent Report | Change Plans | Plug and Abandon | Temporarily | arily Abandon Canyon | |
| Final Abandonment Notice | Convert to Injection | Plug Back | Water Dispo | Water Disposal | |
| Describe Proposed of Completed Operation (c If the proposal is to deepen directionally or rec Attach the Bond under which the work will be following completion of the involved operation testing has been completed. Final Abandon determined that the site is ready for final inspe Yates Petroleum Corporation 1 | omplete horizontally, give subsurf e performed or provide the Bond N s. If the operation results in a m nent Notices shall be filed only a ction.) | ace locations and measured and tru No. on file with BLM/BIA. Required ultiple completion or recompletion in fter all requirements, including reclai | e vertical depths of all pe I subsequent reports sha n a new interval, a Form mation, have been compl | ertinent markers and z all be filed within 30 o 3160-4 shall be filed leted, and the operato | ones. days. once r has |
| pull the RBP and squeeze Car | | • | . Риог to deep | ening this wei | ii, Yales plans to |
| SEE ATT | TACHED FUR TIONS OF APP | ROVAL | | | |

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Regulatory Compliance Supervisor Tina Huerta Title March 6, 2007 Signature Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE 2007 9 Approved by Title 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 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 representations as to any matter within its jurisdiction

SUNDRY NOTICE SPECIAL STIPULATIONS

- 1. Approval is granted for the cement squeeze presented in this sundry as a part of the procedure to deepen this well, with the following modifications:
- 2. After the cement squeeze of the perfs @ 7704-7740' the casing will be cleaned out to the casing shoe plug @ approximately 8056' and a CIT will be run prior to drilling out.

Engineering can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 3/9/07