N.M. Oil Cons. DIV-Dist. 2
301 W. Grand Avenue
Artesia, NM 88210

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

Month - Year
MAR - 8 2007
OCD - ARTESIA, NM

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

5. Lease Serial No.: NM-17037
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA/Agreement, Name and/or No.:
8. Well Name and No.: Five Mile Draw LX Federal Com #2
9. API Well No.: 30-005-63401
10. Field and Pool, or Exploratory Area: Pecos Slope; Abo
11. County or Parish, State: Chaves County, New Mexico

1. Type of Well: [ ] Oil Well [X] 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)*: 1000'FSL & 1000"FWL of Section 34-T6S-R25E (Unit M, SWSW)

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[ ] Other
	[ ] Change Plans	[X] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] 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.)

Yates Petroleum Corporation plans to plug and abandon this well as follows:

1. Rig up all safety equipment needed. No casing recovery will be attempted.
2. Set a CIBP at 3838' with 35' cement on top. This puts a plug over the open perforations.
3. Spot a 25 sx Class "C" cement plug from 3486'-3586'. This puts a 100' plug across the top of the Abo. WOC and tag plug.
4. Perforate and spot a 40 sx Class "C" cement plug from 1510'-1610'. This puts a 100' plug across the intermediate casing shoe, inside and outside the casing. WOC and tag plug.
5. Perforate and spot a 30 sx Class "C" cement plug from 1280'-1380'. This puts a 100' plug across the top of the Glorieta, inside and outside the casing. WOC and tag plug.
6. Perforate and spot a 30 sx Class "C" cement plug from 795'-895'. This puts a 100' plug across the top of the surface casing shoe, inside and outside the casing. WOC and tag plug.
7. Perforate at 60' and circulate a 30 sx Class "C" cement plug from 60' up to the surface, inside and outside the casing.
8. Remove all surface equipment, weld dry hole marker and clean location as per regulations.

NOTE: Yates Petroleum Corporation will use steel pits and no earth pits

14. I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*: Tina Huerta

Title: Regulatory Compliance Supervisor

Signature: Tina Huerta

Date: February 27, 2007

Accepted for record
NMOCD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date FEB 28 2007

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

SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

WELLNAME: Five Mile Draw LX "Fed Com #2 FIELD: Pecos Slope

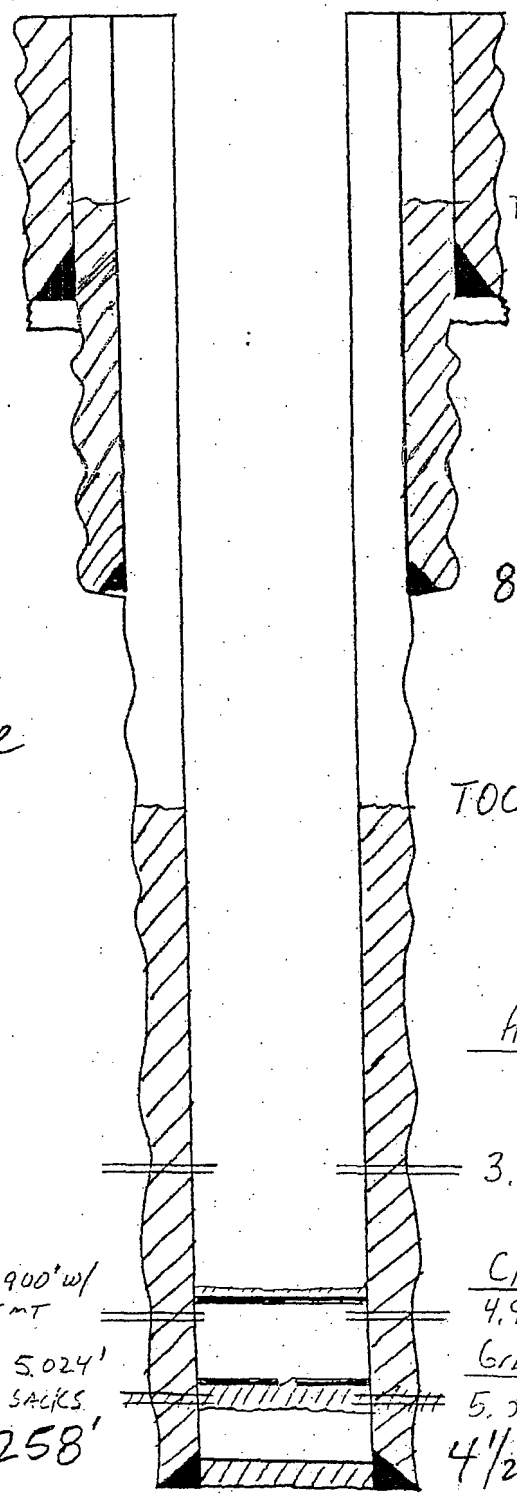
LOCATION: 1,000' FSL & 1,000' FWL, Sec 34, T6S, R25E, Chaves Co, NM.

GL: 3,737' ZERO: _____ AGL: _____ KB: 3,747'

SPUD DATE: 8/1/01 COMPLETION DATE: _____

COMMENTS: _____

CASING PROGRAM	
SIZE/WT/GR/CONN	DEPTH SET
11 3/4", 42.0 #/ft, H-40, STC	845'
8 5/8", 24.0 #/ft, J-55, STC	1,560'
4 1/2", 11.60 #/ft, N-80, LTC	5,300'



11 3/4" set @ 845' CMTD w/ 750 SACKS cmt circ. to surface

BEFORE

8 5/8" set @ 1,560' CMTD w/ 2 0 SACKS

Fm. Tops

San Andres	490'
Glorieta	1330'
Yeso	1436'
Tubb	2873'
Abo	3536'
WC	4304'
Cisco	4856'
Strawn	4957'
Basement - Granite Wash	5056.

3,888' - 3,904' w/ 2 jspf - "C" interval / shot 9/13/01

Cisco
4,938' - 4,952' w/ 2 jspf, shot 9/11/01

Granite Wash
5,074' - 5,084' & 5,222' - 5,232' w/ 2 jspf, Shot 8/28/01

4 1/2" set @ 5,300' CMTD w/ 730 SACKS

- SKETCH NOT TO SCALE -

DATE: 8/20/01 JWP

WELLNAME: Five Mile Draw LX "Fed Com" #2 FIELD: Pecos Slope

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GL: 3,737' ZERO: _____ AGL: _____ KB: 3,747'

SPUD DATE: 8/1/01 COMPLETION DATE: _____

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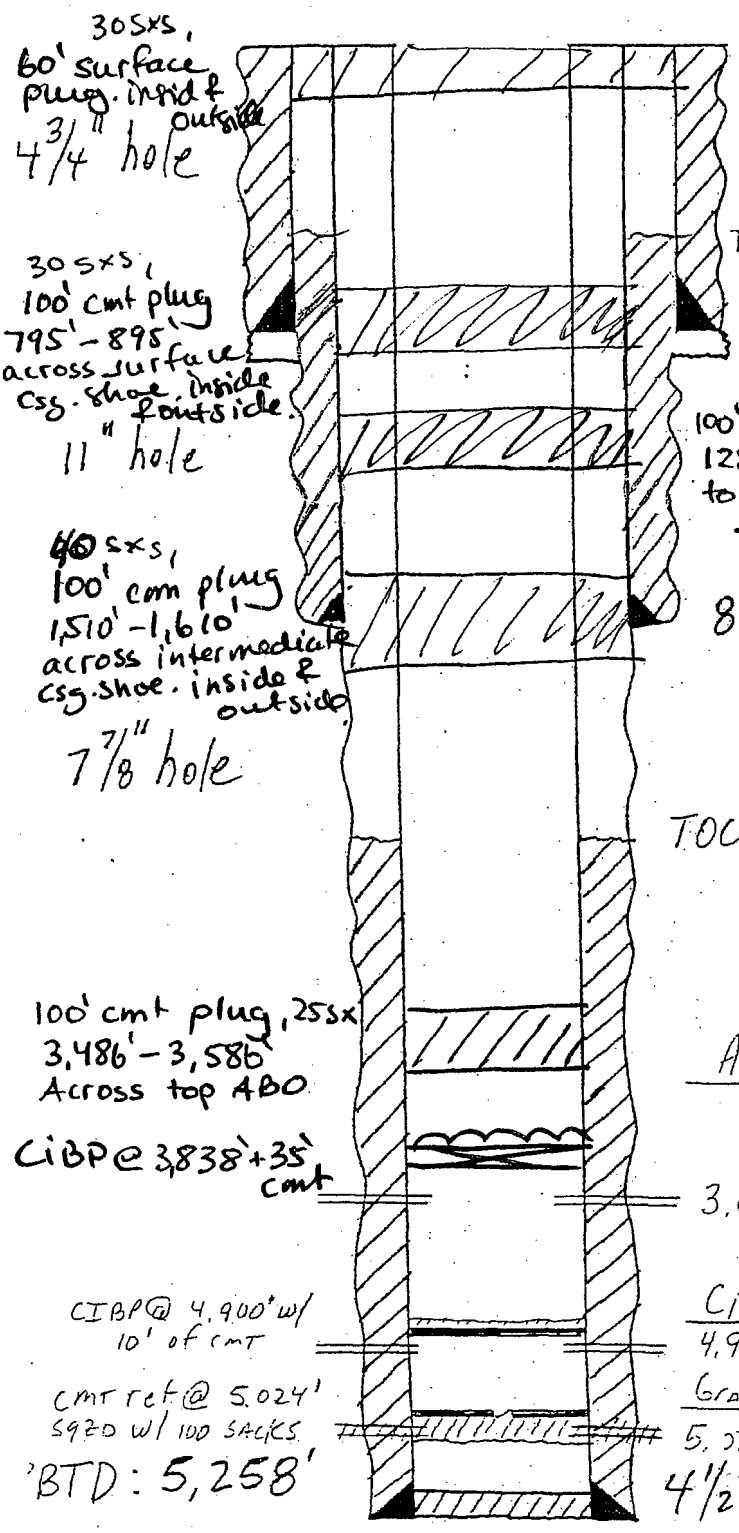

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- SKETCH NOT TO SCALE -

DATE: 8/20/01 JWP

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(505) 627-0272

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90th day provide the appropriate BLM office, prior to the 90th day, with the reason for not meeting the deadline and a date when the appropriate BLM can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call (505) 627-0272, in Eddy County call (505) 361-2822; for wells in Lea County call (505) 393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval shall be developed and furnished to you.