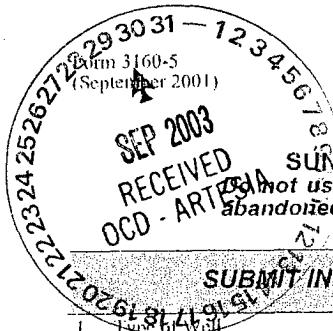


Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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. ☐ Oil Well ☒ Gas Well ☐ Other
2. Name of Operator
Yates Energy Corporation
3a. Address
P. O. Box 2323, Roswell, NM 88202
3b. Phone No. (include area code)
(505) 623-3935
4. Location of Well (Fortage, Sec., T., R., M., or Survey Description)
660' FSL & 1810' FWL of Sec. 26, T-23-S, R-23-E

5. Lease Serial No.
NM - 69333
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
30-015-26072
8. Well Name and No.
Lonesome Dove Federal
9. API Well No.
1
10. Field and Pool, or Exploratory Area
Ness East (Morrow)
11. 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 checked="" 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input 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 recompleate 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 recompleation 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 began July 21, 2003 to acidize the Morrow Perforations 10,041 - 10,173 K.B.

1. Rigged up Cudd Acidizing equipment.
2. Acidized the Morrow formation with 2300 gallons 7 1/2% HCL Nefe acid, 575 gallons methanol and 110,000 scf nitrogen.
3. Swabbed the well, pulling from the seating nipple (9885'), on last run recovered 91 barrels water, total recovery 488 barrels water over load.
4. August production shows tubing pressure 100 psig, 0 MCF/day.

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

Sheryl L. Jonas

Title Agent for Yates Energy Corp.

Signature

Date 09/17/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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 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.

(Instructions on reverse)

