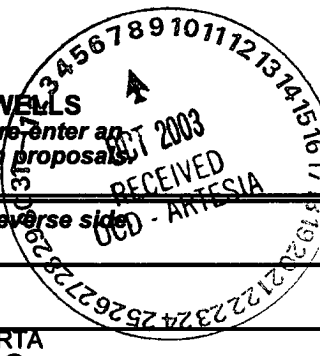


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 5. Lease Serial No. NMNM78215 |
| 2. Name of Operator YATES PETROLEUM CORPORATION | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 105 S 4TH STREET ARTESIA, NM 88210 | 7. If Unit or CA/Agreement, Name and/or No. |
| 3b. Phone No. (include area code) Ph: 505.748.4168 Fx: 505.748.4585 | 8. Well Name and No. HICKORY ALV FEDERAL 7 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T22S R24E NENW 99FNL 2038FWL | 9. API Well No. 30-015-32996-00-X1 |
| | 10. Field and Pool, or Exploratory INDIAN BASIN UPPER PENN ASS WILDCAT MORROW |
| | 11. County or Parish, and State EDDY COUNTY, NM |

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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Convert to Injection |
| | <input type="checkbox"/> Plug Back |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input checked="" type="checkbox"/> Other Production Start-up |

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.)

Date of 1st production 10/2/03

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

**Electronic Submission #24031 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by LINDA ASKWIG on 10/06/2003 (04LA0008SE)**

| | |
|-----------------------------------|---------------------------------|
| Name (Printed/Typed) TINA HUERTA | Title REG COMPLIANCE SUPERVISOR |
| Signature (Electronic Submission) | Date 10/03/2003 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--|-----------------|
| Approved By ACCEPTED | LES BABYAK Title PETROLEUM ENGINEER | Date 10/06/2003 |
| 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 Carlsbad |

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.