

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO 1004-0135
Expires July 31, 2010

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		S	5. Lease Serial No NMNM98801
2. Name of Operator YATES PETROLEUM CORPORATION-Mail: tinah@ypcnm.com			6. If Indian, Allottee or Tribe Name
3a. Address 105 S 4TH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph. 505-748-4168 Fx: 505-748-4585		7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T25S R25E SESE 660FSL 990FEL		NOV 05 2007 OCD-ARTESIA	8. Well Name and No. GRANGE BII FEDERAL 1
			9. API Well No 30-015-35802-00-X1
			10. Field and Pool, or Exploratory WILDCAT
			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 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 checked="" type="checkbox"/> Other Drilling Operations
	<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 recomple 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.)

10/8/07 Resumed drilling at 2:00 PM
10/10/07 Set 20" 94# J-55 casing at 454'. Cemented with 720 sx Class "C" + 0.25#/sx CF + 2% CaCl2 (yld 1.35, wt 14.8). Tailed in with 300 sx Class "C" + 2% CaCl2 (yld 1.34, wt 14.8). Cement circulated to surface. Tested casing to 500 psi for 30 min. WOC 21 hrs 15 min. Reduced hole to 12-1/4" and resumed drilling.
10/14/07 Set 9-5/8" 36# J-55 casing at 1575'. Cemented with 850 sx 35:65.6 Poz "C" + 0.25#/sx Celloflake + 5% salt (yld 2.04, wt 12.5). Tailed in with 200 sx Class "C" + 2% CaCl2 (yld 1.33, wt 14.8). Cement circulated to surface. Tested casing to 1500 psi for 30 min. WOC 35 hrs 30 min. Reduced hole and resumed drilling.

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #56841 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 10/23/2007 (08KMS0144SE)	
Name (Printed/Typed) TINA HUERTA	Title REG COMPLIANCE SUPERVISOR
Signature (Electronic Submission)	Date 10/22/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	DAVID R GLASS Title PETROLEUM ENGINEER	Date 10/31/2007
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 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****